

another IDC design & build contract



New £7½ million VOLKSWAGEN (GB) HEADQUARTERS at Milton Keynes opened 27 Oct 78

IDC Limited Stratford-upon-Avon - Tel: 0789 4288

CONTINENTAL SEILING PRICES: AUSTRIA Sch 7%; BELGIUM F 25; DENMARK Kr 3.5; FRANCE F 3.5; GERMANY DM 2.0; ITALY L 500; NETHERLANDS FF 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Ps 50; SWEDEN Kr 3.25; SWITZERLAND FF 2.0; ERE 15p

## NEWS SUMMARY

### GENERAL

#### More snow on the way

As the Arctic weather conditions continued throughout Western Europe, the London weather centre warned that more heavy snowfalls were on the way, probably by tomorrow.

At least 25 people have died in the UK, France and West Germany since the cold spell began. Hundreds of roads were still closed yesterday and in Britain there was growing concern over alleged delays in road clearing.

Environment Minister Denis Howell said he had spoken to all the major authorities and none had reported difficulties caused by financial considerations. The motoring organisations had claimed that councils were ill-prepared.

Rail services were badly hit as commuters returned to work after the Christmas-New Year break but more people reached work than many industries had feared. *Pages 2, 5*

### BUSINESS

#### Equities up 2.1; Gold down \$1

● **EQUITIES** advanced in light trading. FT 30-share index closed 2.1 up at 473.5. Official markings at 2.45, were slightly less than Friday's 2.55.

● **GILTS:** Short-term losses extended to 3, with Mediums and Longs losing to 1. Government Securities Index eased 0.09 to \$3.60.

● **GOLD** was down \$1 to \$325.5.

● **STERLING** fell 65 points to \$2.0350. Trade-weighted index was 63.9 (64.0). Dollar's depreciation was unchanged at 9.3 per cent.

● **WALL STREET** was down 3.21 at 801.50 near the close.

● **CASH** spot price for lead surged by 22¢ to an all-time high of \$47.5 a tonne on the London Metal Exchange.

● **WORLD** oil prices are expected to increase by 3 to 50 per cent in the coming year, following a rise of 10 per cent to \$73m. passengers on scheduled air services in 1978. *Back Page*

● **BRITISH** shipowners sold un-economic vessels worth over \$70m in 1978 as the depression in world shipping continued to hit company profits. *Lex-Back Page*

● **ABOUT** 1,400 managers in the Bradford-based Provident Financial Group are to decide over the next two days whether to call off sanctions or face immediate dismissal in their near-six-week pay dispute. *Page 5*

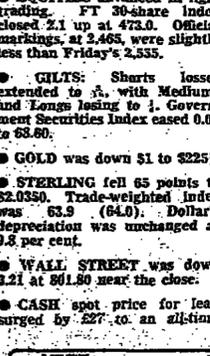
● **CIVIL** and Public Services Association accused the Government of "fanning the flames of industrial unrest" by refusing to allow Civil Service union pay meetings during office hours. *Page 5*

● **NEW ROUND** of talks between West German steel employers and the steel workers' union, IG-Metall, is due to begin today. *Page 2*

● **HOUSE PRICES** should rise by between 10 and 15 per cent this year, according to Abbey National Britain's second biggest building society. *Page 5*

● **CONSUMER** spending on non-essential goods and services is expected to slacken significantly during 1979 after the sharp growth of the past 12 months, business forecasting group, Standard Hall Associates say. *Page 4*

● **UK** representatives are expected to seek an increase in Britain's share of the North Sea Anglo-Norwegian Statfjord oilfield, in Oslo talks tomorrow. *Page 4*



#### Tanker moves

The Greek oil tanker *Abdros* was crippled by a fire on Sunday, is moving away from north-west Spain under its own power, but there is no confirmation of its destination. Three crew are still aboard. The other 29 are thought to have been rescued when the tanker capsized. It is believed that the tanker was damaged by a missile from a Spanish aircraft. *Back Page*

#### Spain killings

An army major and a police bomb squad officer were killed by terrorists in Spain's Basque region. One was shot and the other was killed by a parcel bomb. *Page 2*

#### Smith document

Rhodesia's transitional government published its draft constitution. It contains one surprise—the choice of the name "Zimbabwe Rhodesia" for the country after majority rule. Meanwhile, there have been two more terrorist attacks within Greater Salisbury. *Page 3*

#### Closure averted

The threatened closure of the Washington Star has been averted. The US capital's only afternoon newspaper has secured agreement over redundancies as part of a modernisation programme. *Page 3*

#### Minister quits

Turkey's Interior Minister, strongly criticised for his handling of the year of riots in which 800 people have died, has resigned. *Page 3*

#### Powell forecast

Ulster Unionist MP Enoch Powell, the former Tory Cabinet Minister, predicted that if the Tories won the next election, the government would introduce price and income control. *Page 4*

#### FT's success

Copies of the Financial Times were in sale in New York at 9.30 yesterday morning after the start of the operation by which the FT prints in both London and Frankfurt. But snow and ice delayed distribution in Europe. *Back Page*

#### Briefly

A student aged 22, alleged to have drugged schoolgirls, told Frankfurt police his hobby was drinking human blood.

Indira Gandhi, former Indian Prime Minister, has been summoned for allegedly making a false voter registration.

About 700 people were made homeless by a fire in Hong Kong.

Surgeons in New York have reattached the leg of a girl involved in a New Year's Eve train accident.

Zimbabwe President Kaunda has named a new Cabinet with 19 Ministers instead of 29.

#### COMPANIES

● **ARMSTRONG** Equipment has agreed to buy Anglo-Swiss Holdings—the industrial fasteners group—in a £1.8m deal. *Page 13*

● **RANKS** Hovis McDougall is negotiating the sale of its Canadian interests, Camlin Products and Gattuso Corporation of Montreal, Mr. J. Rank, chairman, said. *Page 12 and Lex-Back Page*

● **THOMAS WARD** is to retain its 29.6 per cent stake in Tunnel Holdings despite having failed to block Tunnel's £10.5m purchase of Barrow Hepburn's chemical division. *Page 13*

#### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

AGNES (E.) Balfour	59	+4
Beecham	682	+10
Bevay Hides	77	+24
Deacons (S. & W.)	154	+4
Edwards (L. C.)	26	+2
Frogmans	122	+4
Healdman Sims	32	+4
Highland Elect.	51	+5
Horizon	1,041	+6
Imperial Gibson	38	+2
Johnson-Richards	109	+4
Lloyds Bank	287	+7
Provident Life 'A'	135	+6
Saga Holidays	182	+8
Samuel (H.) A	196	+5
Scholes (G. H.)	312	+7
Scholes (G. H.)	44	+3
UDT	44	+4
De Beers Deft.	398	+7
F.A.S.I.	398	+7
Sandeman (G.)	60	+3
Vaux Breweries	123	+2
BP	894	+12

# BP cuts crude oil supplies because of Iran output loss

BY KEVIN DONE, ENERGY CORRESPONDENT

British Petroleum is cutting crude oil supplies to all its customers by 30 to 35 per cent over the next three months because of the continuing loss of production from Iran.

BP is the leading member of the consortium of Western oil companies which produces most of Iran's crude oil.

It has a 40 per cent share in the Iranian Oil Participants group, and has been hardest hit by the shut-down of the Iranian oil fields. In spite of growing production from the North Sea, BP took 38 per cent of its crude oil supplies from Iran in 1977, amounting to 65m tonnes.

Yesterday, production by the consortium was less than 300,000 barrels, compared with a normal production level of more than 5m barrels a day. Exports have ceased altogether and output from the Iranian fields cannot even meet domestic demand.

BP is looking for alternative sources of supply, but there is little spare capacity available in any of the oil producing countries, although negotiations are continuing, particularly with Kuwait.

When the oil supply crisis in Iran began at the end of October, BP warned customers to expect cuts in deliveries of up to 25 per cent, but the position has worsened.

The western oil consortium said yesterday that it had evacuated nearly 900 of its employees and their families from Iran to Athens. Another flight is scheduled to take off from Madrid to Athens via Bahrain today. By tomorrow, the consortium expects to have only about 100 personnel left in Iran, mainly at the oilfields.

"These are being shut on a stand-by basis, but because of the complicated operating process involved, it could take at least four to six weeks to re-start them today," said a BP spokesman.

"All members of the Western consortium, which includes most of the big oil companies, have had to cut crude oil deliveries to some extent. They are in fierce competition for scarce spot cargoes of crude oil available around the world. As a result, spot light crude prices have been reported as high as \$17 a barrel, far more than the increase agreed by the Organisation of Petroleum Exporting Countries last month, but there is little crude available to trade.

If the virtual shut-down of Iranian production continues for a prolonged period, such as the rest of the first quarter, as much as an extra nine days' supplies could be lost to world markets.

All the main oil consuming countries have stocks to last several weeks, but a three-month shut-down in Iran would mean that countries totally dependent on imported oil would find it difficult to sustain full consumption.

One senior oil company executive commented yesterday: "It all hangs on how quickly oil exports become available from Iran again. It is still a question of stocks being eaten away. There is a limit, and with Iran shut down, this could be reached this quarter."

# Currency changes within margins

By Peter Riddell, Economics Correspondent

THE EIGHT currencies in the proposed European Monetary System kept well within specified narrow margins of each other yesterday as if the scheme had formally started this week and not been delayed.

Trading was generally quiet throughout Europe in the aftermath of the holidays, apart from some early pressure on the dollar.

There was little change in rates between EEC countries, though the Deutschmark slipped slightly against some other Continental currencies.

The central banks of all EEC countries, apart from the UK, are informally keeping their currencies stable for the time being until French reservations about EEC subsidies are resolved and the system can officially start.

Central parties of the new system already exist as an operational guide for banks since they were fixed on schedule last Friday in spite of the delayed start.

The informal intention to link currencies closely is being carried out alongside existing arrangements whereby five countries are within the snake—the present European joint currency bloc—and the currencies of France, Italy and Ireland are floating outside.

The central banks now appear to be aiming to keep the exchange rates of seven of the EEC countries within a 2.25 per cent margin of each other. The eighth, Italy, has been allowed a 6 per cent margin.

These interim arrangements will have to rely on existing credit lines rather than the expanded amounts available when EMS formally starts.

There are, however, considerable existing bilateral and multi-lateral swap facilities, though without any clear-cut intervention obligations.

But this informal understanding may not be put under any pressure since the currencies have been within the intervention margins in recent weeks. *Money Markets Page 15*

# Hope fade for EMS solution at Guadeloupe

BY JONATHAN CARR

BONN West German Government officials were uncertain yesterday that the current difficulties with France over agriculture—which have delayed introduction of the European Monetary System—could be solved during the Guadeloupe Summit later this week.

No point is seen in advancing the date of the next meeting of the Community's farm ministers, now scheduled for January 15.

High level accord on a compromise between Bonn and Paris is thought to be a necessary prerequisite if the ministers' meeting is to succeed.

The Guadeloupe Summit—to be attended by Chancellor Helmut Schmidt, President Valéry Giscard d'Estaing, and the U.S. and British leaders—in theory offers the chance to reach such a compromise.

But the West Germanys say that the disputed issue, the phasing out of monetary compensatory amounts in Community farm trade, is very complex and that neither sufficient time or detailed expertise will be available in Guadeloupe to solve it.

Herr Schmidt left for the Caribbean last week, before it became certain that France was insisting on a solution to the MCA problem before permitting introduction of the EMS, which was due to begin on Monday.

The West German Chancellor is expected to discuss world issues, particularly defence, in Guadeloupe. He will be accompanied by his chief foreign policy advisor.

Herr Schmidt has been in contact with Bonn non the farm issue, but there are no plans to fly out additional staff to work on the technicalities.

Normally, it would be considered sufficient if governments formulated the broad lines of policy and the Farm Ministers implemented them.

This happened when the European Council, in its decision on the EMS on December 5, found a form of words which were thought to cover the MCA issue. It is now plain, however, that the words concealed a misunderstanding which the Farm Ministers were unable to overcome in their December 19 session.

A more detailed brief is now believed to be required from the top and it must be approved by all partners when the issue comes before the Farm Council again. That would take time.

Government officials here continue to believe that the farm issue, rather than any new danger posed for the EMS by the weakness of the dollar, explains France's refusal to go ahead.

The latest dollar fall is thought to be linked, in particular, to the unrest in Iran, and there is no guarantee that this situation will improve to permit an easier birth for the EMS in a few weeks.

David White writes from Paris: The French franc will continue to float outside the EMS. *Continued on Back Page Editorial Comment Page 10*

# Lorry drivers begin their widespread all-out strike

BY NICK GARNETT, LABOUR STAFF

A WIDESPREAD all-out strike by private haulage lorry drivers began last night with transport companies in most areas of Britain affected.

The Road Haulage Association, with most regions in dispute with its drivers over pay said that Scotland, the north-east, Yorkshire, Humberside and Merseyside would be seriously hit.

Drivers at big haulage companies in major cities elsewhere, including Birmingham and London were also expected to join the stoppages, as were those in some smaller regional centres.

Most of the association's regions have offered 13.2 per cent in basic pay rates and about 15 per cent overall. The drivers are seeking rises of up to 25 per cent but further pay negotiations are due to take place this week.

In the other road transport dispute, shop stewards representing tanker drivers and related staff at Shell decided yesterday to postpone their strike, due to begin today, until at least January 10.

The decision followed yet another pay offer from the oil company after its previous proposals, worth about 15 per cent with almost no productivity strings, were formally rejected yesterday. The new offer will be put to a ballot of the drivers.

British Petroleum's offer to its tanker drivers was also rejected yesterday but pay negotiations then resumed late last night.

Drivers at Texaco, who were also due to strike from today along with those at Shell and BP, were offered a new pay package which will be put to depot meetings today. Senior shop stewards will meet tomorrow and the company said that in the meantime it hoped the strike would not go ahead.

Eso's drivers, who last week were offered 15 per cent without a productivity element, have also deferred their proposed strike until January 10 by which time the offer can be put to mass meetings. Eso shop stewards are due to meet next Monday.

Drivers at Mobil, which has made a similar-sized offer, are in the process of voting on their proposals, with senior stewards expected to meet on January 12.

The companies' previous proposals have involved a new basic rate of about £78 on which overtime and shift pay would be calculated, lifting average weekly earnings to about £130.

# Turnbull set to join Chrysler

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MR. GEORGE TURNBULL, a former managing director of British Leyland, is expected to be appointed chairman of Chrysler UK today.

Peugeot-Citroen, the French company whose acquisition of Chrysler's European operations took effect at the beginning of this week, has managed to recruit a man with a high reputation in the British motor industry.

Mr. George Lacy, managing director in the three difficult years since the Government rescue, negotiated in 1976, is likely to continue in that position. Mr. Peter Griffiths, his deputy, is also expected to remain.

That will give important continuity as Mr. Turnbull joins the struggles of Chrysler U.K. Preliminary estimates suggest that in spite of early forecasts of a small profit last year's losses are likely to have been as heavy as the £21.5m in 1977. In 1978 the company lost £43m.

Trouble in Iran has been significant in the deterioration of Chrysler U.K.'s trading position.

The Stoke engine factory, at Coventry, supplies components worth more than £100m a year for assembly by Iran National. Serious delays to shipping and production have been reported. *Continued on Back Page Profile, Page 5*

# Dollar gains strength

BY DAVID LASCELLES

NEW YORK — Short-term interest rates persisted at unusually high levels here yesterday. This caused some uncertainty in Wall Street about the Federal Reserve Board's current monetary aims, but added strength to the dollar on the foreign exchange markets.

The key Fed funds rate hovered at around 12 per cent yesterday morning, well above the average 10-10 1/2 per cent at which it stood before the increase which began last week.

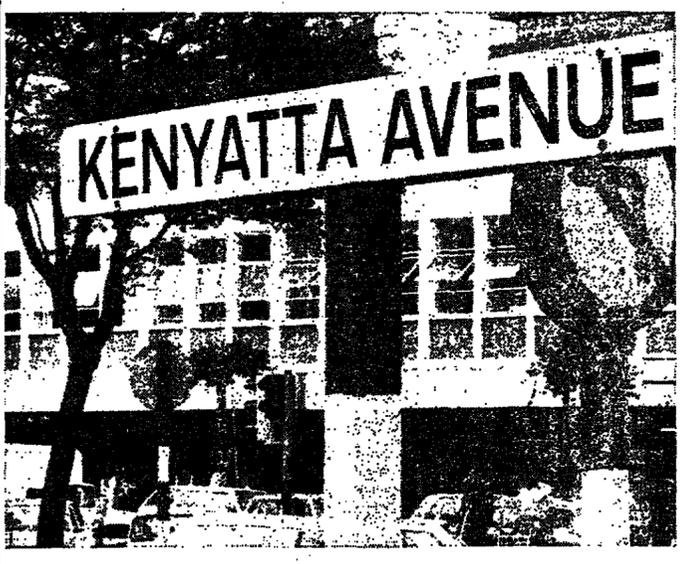
Much of this rise is probably due to technical factors, such as the shortage of cash and float in the banking system because of the holiday shopping spree.

Some analysts argued that the Fed appeared to have been slow to supply extra reserves to the system in the last few days, and the dollar gained slightly against the DM, at DM1.815.

The Fed did, however, try to bring the rate down yesterday morning by overnight repurchase orders of Government securities. Estimates of the Fed target rate for Fed funds ranged yesterday from 10 per cent to as high as 10 1/2 per cent.

Bankers said the market was unusually difficult to read at the moment. They expected the situation to become clearer in the second half of the week.

The high level of interest rates helped the dollar on the New York foreign exchange markets. It opened higher than in Europe and was steady through the thin trading in the early part of the day. Sterling slipped a cent to \$2.035 by noon, and the dollar gained slightly against the DM, at DM1.815.



## WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?

In 60 countries around the world, almost anywhere that you may want to do business. In Kenya, for instance, we are a long-established part of commercial life, with 34 branches right across the country.

When you use Standard Chartered for your Kenyan business you save yourself money and time, because our U.K. branch nearest to you will contact any of our Kenyan branches direct. There will be no intermediate banks or indirect delays. Ring Keith Skinner on 01-623 7500 now to hear more about this.



**Standard Chartered Bank Limited**

helps you throughout the world

Head Office: 10 Clements Lane, London EC4N 7AB Assets exceed £5,400 million

### CONTENTS OF TODAY'S ISSUE

European news	3	Technical page	6	Intl. companies	14
American news	3	Management page	7	Euro-markets	14
Overseas news	3	Arts page	9	Money and exchanges	15
World trade news	4	Leader page	10	World markets	16
UK news—general	4, 5	UK companies	12, 13	Farming raw materials	17
—labour	5	Mining	12	UK stock market	18

### FEATURES

The world stock markets in 1978	10	Kenya politics: war on corruption	3	Gardens today: my love of the primrose	8
Oil finds revive growth in Mexico	11	Oil groups in Snaal: the gamble on peace pact	4	Restrictive practices in South Africa	14
China's tactics strain the Gullist nerves	2			NZ wool: price slide ends as demand picks up	17

Appointments	18	FT-Achieves Index	18	Men and Matters	10	Weather	22
Base Rates	5	Gardenlog	8	Share Information	20-21	ANNUAL STATEMENTS	
Crossword	8	Letters	11	Today's Events	11	J. A. Diventis	12
Entertainment Guide	8	Lax	22	TV and Radio	8	Fison and Robbins	12
European Optics	15	Lombard	8	Unit Trusts	19	Whessoe Ltd.	12

For latest Share Index: phone 01-246 8026

EUROPEAN NEWS

Record jobless feared as France plans dole reform

BY DAVID WHITE IN PARIS

REFORM of the French system of unemployment benefits is expected to be passed by Parliament this week as the country faces the prospect of a record level of jobless this year.

The Bill proposes that this 90 per cent should be progressively reduced during the year, in order to increase the incentive to find new work.

The number of people looking for work in France was 1.33m in November, showing a rise of 12 per cent in a year. The level is expected by the Government to rise by about 10 per cent in the coming year, with an improvement in the second half of the year, and by union leaders to increase by 15 per cent or more.

N. Europe again hit by icy weather

By Our Foreign Staff

THE ICY New Year weather hit much of Northern Europe again yesterday, disrupting transport services, damaging agriculture and causing at least 28 deaths in West Germany and France alone.

Make-or-break test faces Andreotti administration

BY RUPERT CORNWELL IN ROME

SIG. GIULIO ANDREOTTI, the Italian Prime Minister, has returned from a brief holiday in Portugal and Spain to resume preparation for what has been widely forecast as a make-or-break period for his minority Christian Democrat Government.

Both are due to be discussed at a Cabinet meeting, provisionally set for the start of next week. Before then, however, the Prime Minister may well hold talks with leaders of other parties in an attempt to gain broad preliminary agreement.

As far as the economy is concerned, the Government is to produce within a few days a detailed programme to implement the grand design set out by Sig. Filippo Maria Pandolfi, the Treasury Minister, to promote steady growth and more jobs over the 1979-81 period.

IG-Metall votes to resume talks

BY ADRIAN DICKS IN BONN

A NEW ROUND of talks between German steel employers and the steelworkers' union, IG-Metall, is due to begin today after formal agreement by the union's bargaining council to negotiations on the basis of a compromise put forward at the weekend.

Three big plants in Bremen, Bochum and Krefeld. So far some 37,000 men have been on strike since November 23 and a further 43,000 have been locked out or laid off because of the dispute.

The IG-Metall bargaining council's 86-32 vote to meet the employers indicates that a substantial minority in the union is still in favour of a hard line.

Italian kidnapping reduced

ROME — Kidnappings for ransom dropped to 42 in Italy in 1978 from the record total of 76 the previous year, the Italian Interior Ministry reported yesterday.

The 1978 total of abductions was back to the level of 1974, and the income of Italy's kidnapping rings was also reduced sharply, to L6bn (\$9.9m) from an estimated total of L20bn (\$32m) in 1977.

Killings resume in Basque region

BY DAVID GARDNER

AN ARMY major and a police bomb squad officer were killed yesterday in the Basque region.

Steel orders maintained

BY GUY HAWTIN IN FRANKFURT

ORDERS FOR West German rolled steel finished products remained stable in November, though at a continued low level.

Eanes calls for greater sacrifice

BY OUR LISBON CORRESPONDENT

PRESIDENT Antonio Ramalho Eanes has warned the Portuguese in a New Year message that they will have to make fresh sacrifices in order to prepare themselves for membership of the European Economic Community.

Turkish Interior Minister quits

BY METIN MUNIR IN ANKARA

THE TURKISH Interior Minister, Mr. İrfan Özyıldırım, resigned yesterday after a year in which more than 800 have died in the worst political violence in modern Turkish history.

riots in the eastern town of Maras where more than 100 people lost their lives.

A government deputy told Parliament: "Britain has intervened in our internal affairs. We wonder whether Demirel has prepared his attack on the Government in collaboration with the British ambassador."

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

PSYCHIATRISTS might be tempted to conclude that the great row which is currently shaking the Gaullist RPR party is the direct consequence of the recent car accident in which its leader, M. Jacques Chirac, broke his thigh bone.

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.



Pope John Paul II: accused of interference.

The Pope intervenes in abortion controversy

By Paul Betts in Rome

JOHN PAUL II, the first non-Italian Pope in four and a half centuries, has become embroiled in a peculiarly emotional Italian controversy between bishops and lay politicians over legislation introduced last year legalising abortion in Italy.

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

Chirac's fighting tactics strain Gaullist nerves

BY ROBERT MAUTHNER IN PARIS

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.



M. Jacques Chirac: under attack from inside his party

PSYCHIATRISTS might be tempted to conclude that the great row which is currently shaking the Gaullist RPR party is the direct consequence of the recent car accident in which its leader, M. Jacques Chirac, broke his thigh bone.

The cartoonists, in any event, believe that there is some truth in this theory. One shows a frustrated and teeth-gritting M. Chirac in a hospital bed with his leg in a plaster cast in the shape of Europe, while another depicts him hobbling on crutches after his own shoes, which are running away from him.

What is certain is that an operation which started off as a controlled attack by the Gaullists on President Giscard d'Estaing's European policy, and particularly his refusal to demand additional guarantees from France's partners that the European Parliament's powers would not be extended after direct elections, has dangerously boomeranged.

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

At the same time, the Gaullists joined the Communists in an "unholy" parliamentary alliance to defeat the Government on legislation providing for the adaptation of France's VAT system to Common Market regulations and the financing of the European election campaign with EEC funds.

THE CRISIS

IN IRAN

Irish aircraft forced down by Iranian jet fighters

TEHRAN — Iranian air force jets forced down an Irish-owned airliner yesterday as it ferried a group of British and Irish air-hostesses out of the country...

Khomeini denies Libya link

PARIS — A source close to the Ayatollah Khomeini, Iran's self-exiled Moslem and political opposition leader, has denied reports that the Ayatollah is receiving money and arms from Libya and the Palestine Liberation Organisation.

Economy nears standstill as more foreigners prepare to leave

BY SIMON HENDERSON IN TEHRAN

LITTLE ECONOMIC activity has been taking place in Iran for the last ten days. Whole sections of business—the oilfields and refineries, the railways, the national airline and the banks—are formally shut or strike-bound.

Iraq steps up supplies to India

By K. K. Sharma in New Delhi

IRAQ HAS stepped in to fill the gap in crude supplies to India left by the virtual suspension of oil imports from Iran.

The incidents came as commercial jets began taking off again from Tehran's Mehrabad airport, speeding the departure of many foreign residents from the troubled country.

Reports from Washington quoted U.S. and European intelligence officials as saying a representative of Libyan leader Muammar Gaddafi and Feroz Khaddoumi, head of the PLO's political department, met with the Shiite leader on November 22 to offer arms and money.

Present lack of any resolution to the political crisis over the Shah's future may change this very quickly. Prestige economic projects, often with substantial foreign investment or personnel, are mostly in abeyance.

The Petroleum Ministry is working on the assumption that there could be no supplies from Iran this year and has been in touch with other countries for additional shipments.

Military air traffic controllers today said the Iranian flag carrier, landed and triggered the walkout, airport employees said. The walkout stranded hundreds of Americans and other foreigners who were heading the advice of their embassies to leave Iran.

Mr. Khaddoumi met with the Ayatollah in November at his residence in suburban Paris but sources said at the time that Mr. Khaddoumi only delivered a message from the PLO leader Yasser Arafat assuring him of the PLO's support.

For those that still remain, queues are becoming the rule for almost everything. Petrol can be obtained but usually involving a half day wait in line outside the garage. The black market price is \$4 a gallon, ten times the pump price.

Mr. H. N. Bahuguna, the Petroleum Minister, is confident of making up the gap since the response from other Arab countries to India's request has been good.

OVERSEAS NEWS

Salisbury publishes constitution

By Tony Hawkins in Salisbury

RHODESIA IS to be known as "Zimbabwe" after the introduction of the 1979 constitution, according to a Transitional Government White Paper published here yesterday.

Cambodia appeals for help against 'Warsaw Pact'

BY RICHARD NATIONS IN BANGKOK

CAMBODIA YESTERDAY appealed to the world for support against what it claimed was a large-scale invasion by Vietnamese and Warsaw Pact forces which "has seriously threatened the independence of Cambodia."

Washington Star averts shutdown

By Jurek Martin, U.S. Editor, in Washington

CONTINUED PUBLICATION of the Washington Star, the U.S. capital city's afternoon newspaper, was assured when the local printing union finally agreed to accept the redundancy of nearly half its members over the next six months.

China invites Goldwater

PEKING — Mr. Deng Xiaoping, China's Vice-Premier, has invited Senator Barry Goldwater, the chief supporter in Congress of the Taiwan Government, to visit Peking to discuss reunification of Taiwan and the mainland.

Castro attacks U.S. for causing 'thousands of S. America deaths'

BY HUGH O'SHAUGHNESSY

LIKE HIM or loathe him, the chanceries of the world can never ignore the President of Cuba. An unexpectedly tough speech by President Fidel Castro on Monday, the 20th anniversary of the Cuban Revolution, had the envoys from the U.S., Egypt and China marching out of the room in protest at his remarks.

many hundreds of political prisoners and relaxed emigration procedures for them and has begun wooing the Cuban exile community into a dialogue, the terms of which he himself is strictly controlling. For the past two years he has been making it clear that many sectors of the economy will be open for foreign investment, as never since 1959.

West Bank settlers halted

BY DAVID LENNON IN TEL AVIV

THE ULTRA-NATIONALIST Gush Emunim settlement movement has run into army resistance and public indifference in a week-long sporadic attempt to establish new Jewish settlements on the occupied West Bank of the Jordan.

China invites Goldwater

PEKING — Mr. Deng Xiaoping, China's Vice-Premier, has invited Senator Barry Goldwater, the chief supporter in Congress of the Taiwan Government, to visit Peking to discuss reunification of Taiwan and the mainland.

China invites Goldwater

PEKING — Mr. Deng Xiaoping, China's Vice-Premier, has invited Senator Barry Goldwater, the chief supporter in Congress of the Taiwan Government, to visit Peking to discuss reunification of Taiwan and the mainland.

World-price ruling for new oil

BY DAVID LASCELLES IN NEW YORK

IN WHAT could be the first step towards President Carter's goal of freeing domestic oil from price controls, the U.S. Energy Department has proposed that newly discovered oil should be sold at world market prices.

of view is that it can be implemented as a change in the regulations without congressional approval. It could thus pave the way for the total deregulation which the Administration believes will encourage conservation and which the oil industry sees as a means of increasing revenues to finance further exploration.

KENYAN POLITICS

Moi declares war on corruption

BY JOHN WORTALL IN NAIROBI

THERE IS a strong strand of conservatism running through Kenyan politics, an attitude which derived from the views of the late President Kenyatta. The conservatism has ensured a certain stability, but it has also allowed for the build-up of various internal ills, like corruption.

landless poor by bribing officials. Moi's first executive action was to suspend the allocation of land indefinitely until machinery was set up to prevent this sort of thing happening.

At about the same time, a senior assistant Police Commissioner Mr. James Mungai, fled to the Sudan after being given enforced leave pending investigation into police irregularities. He has not returned.

Treasury ruling soon on imports of textiles

WASHINGTON — The U.S. Treasury is expected to rule later this week on whether textile and clothing imports from five countries will require countervailing duty to be imposed.

Customer sought for surplus reactor parts. By David Fishlock, Science Editor. A U.S. ELECTRICAL utility is trying to find an overseas customer for portions of two big nuclear reactors which it ordered, but no longer needs.

WORLD TRADE NEWS

Jordanian contract for Wimpey

By Rami G. Khouri

BRITISH CONTRACTOR George Wimpey has won a fiercely contested contract to undertake some of the most complicated construction work in the Middle East.

This is the largest single contract ever awarded in Jordan. It involves building 55 kilometres of compacted earthfilled dykes which will enclose about 100 square kilometres of "pans" within which Dead Sea brine will evaporate to leave carnallite deposits which are passed through a refinery for conversion into powdered potash.

The work will be undertaken in a treacherous area of mudflats where several local workers and guards have died after falling into the hot mud and being exposed to the severe heat and intense summer sun. The contract is scheduled to be completed in three years from start up this month.

Meanwhile two other smaller contracts have been awarded. One worth \$1m to the London-based Anglo-American concern Deloitte Haskins and Selig to provide accounting, financial and management consultancy services. The other to The Hague office of the American concern King Kilkinson to reinforce the Arab Potash Company's technical staff and provide cost control advice.

London trade mission to South-East Asia

Financial Times Reporter

THE LONDON Chamber of Commerce and Industry is sending a top-level trade mission to Singapore, Malaysia and Thailand for three weeks from Friday. The mission will help support the visit to the same countries by the Trade Secretary, Mr. John Smith, who arrives in Singapore today.

A spokesman said the ECCT's mission, which has British Overseas Trade Board (BOTB) support, would aim to strengthen the already sound trade links with the three countries which have a combined market population of more than 50m and an enviable economic growth rate. He said these growth rates, which range from 6.2 per cent in the case of Thailand, to 7.5 per cent in Malaysia and 8.4 per cent in Singapore, reflected well planned industrial developments largely depending on their success on a high level of imports, particularly in high technology, plant and machinery.

With members representing a wide area of the UK's industrial and commercial life, the mission hopes to exploit a potential import expenditure which has been estimated at more than \$9,083m in Singapore, \$3,336m in Malaysia, and \$5,627m in Thailand. The mission is led by Dr. P. A. L. Northcott, director of W. S. Atkins.

China orders chemical plant from Lurgi

By Guy Hawtin in Frankfurt

LURGI, the Frankfurt-based engineering company, has been awarded two major contracts by China. Both come within the framework of the trade accord signed between the Federal Republic of Germany and China.

One contract is for the supply of a methanol plant producing 300 tonnes per day of methanol from heavy oil fractions. The other is for a coal-based ammonia plant with a capacity of 1,000 tonnes per day. The methanol plant is based on the Lurgi low-pressure process which uses a feed-stock of crude oil residues. This is converted to methanol synthesis gas, produced by the Shell Oil gasification process and purified by a combination of the Lurgi Amison and Purisol processes. The ammonia plant comprises Lurgi coal pressure gasification, gas purification and conditioning, ammonia synthesis and facilities for utility production and by-product treatment. In this plant all units use Lurgi processes, except the ammonia synthesis which is based on Topsoe technology.

Fertilisers licence

Norsk Hydro, the Norwegian metals, chemicals and energy concern, has concluded a licence agreement with China for the construction of a 3,000 tons per day fertiliser plant, using Hydro's technology. The plant will be constructed by the Lurgi contractor for construction of the plant will be Tokyo Engineering, of Japan, which has previously built similar plants in other countries under licence from Hydro. A spokesman for Norsk Hydro declined to disclose the value of the licence agreement itself, but said it would involve deliveries by Hydro of process equipment worth around Nkr 50m (\$4.95m).

USSR and East Germany reduce trade expansion

By LESLIE COLLITT IN BERLIN

THE SOVIET UNION and its largest trading partner and most important political ally, East Germany, have agreed on the smallest expansion of trade in 1979 for several years.

Trade between Moscow and East Berlin is set to reach the level of 8bn transferable roubles, a nominal increase of about 5 per cent over the past year. However, after deducting annual price rises, especially for Soviet oil, natural gas and raw materials, the volume of trade will virtually stagnate for the first time since 1975, when the terms of trade shifted sharply in favour of the Soviet Union.

Planned Soviet oil deliveries to East Germany of 18.5m tonnes are only slightly higher than the 1978 level. East Germany will have to import the remaining 15 to 20 per cent of its oil needs from OPEC countries with the added expenditure in scarce dollars.

The slow-down in the growth of trade between Moscow and East Berlin contrasts with what is officially called its "continuous, planned and dynamic development". In fact, trade advanced by 32 per cent in 1975, 5 per cent in 1976, 17 per cent in 1977 and was 13.5 per cent higher in the first nine months of 1978. East Germany has been piling up large trade deficits with the Soviet Union and the East German shortfall this year is expected to reach 610m transferable roubles.

According to an expert on Comecon trade, Dr. Heinrich Machowski of the German Institute for Economic Research in West Berlin, the volume of Soviet exports to East Germany is expanding at a higher rate than was expected when the terms of trade shifted to Moscow's advantage.

The increase in Soviet exports to East Germany beyond the rate of price increases for Soviet energy and raw materials amounts to Soviet credit to East Germany, its vital political and economic partner.

The full effects of the price increases on the East German economy have yet to be felt but the East German leadership has been preparing the population for much greater efforts in production in coming years. The Export Credits Guarantee Department has guaranteed the repayment and funding for a \$30m line-of-credit which Morgan Grenfell, acting on its own behalf and for the Bank of Scotland and Moscow Narodny Bank, has made available to the Warsaw state trading bank. The loan will help finance contracts awarded by Rolimpex of Poland to UK exporters for the supply of UK produced barley and wheat. Exporters will receive 85 per cent of the contract value from the loan; the remaining 15 per cent is payable from the buyer's own resources.

Swedish pulp industry in aid talks

By WILLIAM DULLFORCE IN STOCKHOLM

THE SWEDISH Industry Minister, Mr. Erik Huss, has appointed a two-man team to negotiate State support for Swedish pulp and paper concerns in financial difficulties. The two are Mr. Martin Rutger Loeff, who negotiated the State takeover of the Kockums Shipbuilding Group, and bank director, Mr. Goesta Olsson.

The Minister's action comes as market conditions appeared to be improving with increases of over 20 per cent in pulp deliveries and of over 17 per cent in paper and board exports in 1978. A first quarter price of \$410 a tonne for bleached sulphate pulp is also calculated to bring the pulp mills' back to profit.

But the improvement follows two years in which the Swedish forest industry has suffered heavy losses, roughly SKr 1bn (\$227m) in 1977 and probably almost as much in 1978. Several concerns are in financial trouble and others badly need to consolidate. Mr. Huss said state involvement was needed to overcome the industry's acute problems but the other parties concerned had to co-operate in solving the structural difficulties. The Riksdag (Parliament) has authorised the Government to grant credit guarantees up to SKr 400m to the forest-based companies.

The two negotiators will concentrate first on the forest owners' concerns, NCB, Sodra

and Vaenerskog, all of which have been making heavy losses. Sodra is expected to return to profitability this year but has been looking as far afield as Japan for a partner to help carry the financial burden of a SKr 2bn pulp and paper project. NCB has already received state aid without which it would have been bankrupt. The State support was made conditional on changes in the concern's top management.

Among the private companies involved are Billerud Uddeholm, the newly merged group which will report a SKr 200m loss for 1978 and has just changed its managing director, and Stora Kopparberg. The latter is not in difficulty but is one of three companies planning to build new mills to produce newsprint paper. The Government believes there is room for only one mill in the near future.

Paper imports to the U.S. reach record levels

By MAX WILKINSON

STRONG DEMAND for paper and paperboard products in the U.S. in 1978 caused imports to rise to a record level, most of them from Scandinavia.

Year-end figures from the American Paper Institute show that consumption in the U.S. increased by 5 per cent, compared with the previous year, although the growth in overall business activity was only 3.8 per cent.

The buoyant demand helped to restrict exports of paper and pulp from the U.S. and thus to ease the pressure on the European market, where pulp prices have risen significantly, and mills have been able to improve their production to around 80 to 85 per cent of capacity.

Imports into the U.S. were running at an annual rate of 9.4m tonnes, the institute says. If this rate is maintained in the fourth quarter of 1978 imports would be up by 28 per cent, compared with the figure for 1977.

Demand for newsprint, which accounted for 7.5m tonnes of imports, has been strong. Imports of printing and writing papers have also been well above the 1977 level, at 960,000 tonnes, representing 6.5 per cent of total domestic production of these grades. Exports from the US showed only modest gains compared with the previous year, except for unbleached kraft linerboard, at 13 per cent above last year's level. Total exports of paper-grade woodpulp were 4.5 per cent ahead of the 1977 level, at 1.55m tonnes.

Hungary-EEC textile deal concluded

By Rhys David

AN AGREEMENT with Hungary covering textile trade has been concluded by the EEC Commission following a year's delay caused by a dispute over the text.

The agreement puts Hungary on a similar footing to other low-cost suppliers with which the EEC has negotiated bilateral agreements under the GATT Multi Fibre Arrangement. Under the deal Hungary will restrain at agreed levels its exports to the EEC of certain textile products until the end of 1982.

The agreement came into operation yesterday.

TWA chairman optimistic about airline prospects

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD airline industry is moving into 1979 on an optimistic note, convinced that the coming months will see a further expansion of traffic, stimulated by cheaper fares.

Mr. L. Edwin Smart, chairman of Trans World Airlines, one of the biggest airlines in the U.S. and the biggest passenger carrier across the North Atlantic, said in a New Year message that he does not fear an economic recession in 1979.

While there may be some "dampening" of the "explosive growth" of 1978, the predictions so far "are for a controlled dip, followed by a resurgence rather than a prolonged slump."

He added that he foresees "no prospect of the severe financial reversals that occurred in the mid-1970s, when a severe recession caught the airlines with over-optimistically increased capacity."

"The bulk of the industry's recent capacity growth has been in the form of increased seating densities on existing aircraft, rather than a new aircraft. The airlines' capacity is currently far better tailored to the market than in the past."

Mr. Smart said that in the coming year, both in the U.S. and world-wide, vigorous competition would be proved as a fact of life.

Gambling on Mideast peace pact

By MAURICE SAMUELSON

THE ISRAELI, too, would like to stay involved in the Sinai oil fields. In particular, they would like to continue taking oil from the Alma field, on the east coast of the Gulf of Suez. Output of the field's seven wells rose last week to 29,000 barrels a day, about a sixth of Israel's national consumption. It is currently ferried by tanker to Ellet on the Gulf of Aqaba, where it is pumped into Israel's trans-Negev pipeline.

Egypt's accelerated oil search is part of its wider bid to entice Western investment with the prospect of peace with Israel. Egypt has already shown, well in advance of a treaty, that it is ready to disregard the Arab boycott rules and to do business with companies blacklisted by the Central Boycott Office in Damascus.

Barclays Bank International and the Coca Cola Company are among the main blacklisted companies permitted to invest in Egypt. According to reports from Beirut, the Egyptians would like investment by the Ford Motor Company and the Schweppes soft drinks concern, even though the Ford Escort car is assembled in Israel and Schweppes has a stake in an Israeli company.

However, Egypt has not gone so far as to welcome investment by actively pro-Israeli companies like Marks and Spencer, whose chairman, Sir

Marcus Sieff, has offered assistance to Egyptian industries. The Israelis, too, are not waiting for the conclusion of a peace treaty before launching a major drive for Western investment. In February, a seminar will be held in London for potential investors in Israel, under the chairmanship of Sir Monty Fimiston, the former British Steel Corporation chairman who is now a director of Sears Holdings. The chief speaker will be an official of the Bank of Israel who has carried out research into the broader commercial aspects of the Camp David treaty.

An immediate consequence of the treaty would be the major construction work in Southern Israel caused by the redeployment of the Israeli Army. West Germany and Dutch companies have already shown interest in this work. Another project might be the rebuilding of the railway from Ellet to El Arish in Sinai. Israel claims the work involved in the rail project could be completed in three years at a cost of \$150m.

The Israelis themselves are keen to assist Egypt's national reconstruction and see new outlets for their pharmaceutical, textiles and telecommunications industries. But they say they would like to do so in partnership with Western concerns, including British, companies.

UK NEWS

Tories join call for union restraint

By Philip Rawstorne, Lobby Correspondent

MR. CALLAGHAN'S appeal for trade union restraint drew a sharp response yesterday from Conservative MPs.

Mr. Michael Heseltine, Conservative spokesman on the environment, said that no one bore a deeper personal responsibility than the Prime Minister for the "overblown powers which the unions have assumed or been given."

Mr. Callaghan had opposed attempts by both Sir Harold Wilson and Mr. Edward Heath to curb union power. "The monster that he has unleashed has now turned on him."

"Britain's tragedy is that there is always someone, somewhere, prepared to mobilise the extremists in the union movement when patently the national interest demands a united and resolute political will to return to common sense."

Mr. David Howell, a Conservative spokesman on home affairs, said that a question of trade union power had now forced its way to the top of the political agenda.

Abuse

"The need for better democracy in the unions, the lack of financial deterrents on 'trigger happy' strikers, the abuse of the closed shop, the growing signs of intimidation—these issues cannot be evaded."

Westminster and Whitehall had been mesmerised into entrenching union power in a web of immunities and privileges.

The policy-making establishment had shown "a pathetic readiness... to bow to what they tremblingly believe to be the voice of trade unionism, when in reality the vast majority of trade unionists and non-unionists alike are longing to break the mould and cease damaging each other."

Tories plan incomes policy

By John Hunt, Parliamentary Correspondent

IF THE CONSERVATIVES are returned to power under Mrs. Margaret Thatcher, they will quickly introduce a policy to control incomes and prices, according to Mr. Enoch Powell, the former Tory Cabinet Minister who is now Ulster Minister MP for South Down.

Mr. Powell's allegation, made at the start of an election year, raises a particularly sensitive issue for the Conservatives after the internal differences within the party over incomes policy last year.

He said in London last night that all British politicians were now aware that control of money supply was the key to holding down inflation. In spite of this, governments continue to "sin against the light" by introducing successive incomes policies.

History

There was no hope of escaping from this through a change of government. The Conservatives under Mr. Edward Heath in 1970 came into office utterly rejecting the philosophy of compulsory wage controls. But by 1972, they had enshrined just that philosophy with legislation of unparalleled rigour.

That was history, but it was doubtful if anyone had read the speeches of Mrs. Thatcher without thinking: "If the Conservatives were to get in again, they would be off once more on a policy of price and income control before you could say Jack Robinson."

Everyone now knew that it was money supply "that does the trick," but governments continued to go astray in pursuit of popularity, to make things easy for themselves, to avoid trouble and gain votes.

In its pursuit of a wages policy, the Labour Government was running headlong into conflict with one section of the public after another.

'Decline likely in luxury goods spending'

By PETER RIDDELL, ECONOMICS CORRESPONDENT

SPENDING by consumers on non-essential goods and services is expected to slacken significantly this year after the sharp growth of the last 12 months, according to a new analysis from Staniland Hall Associates, a business forecasting group.

The latest quarterly issue of the group's Consumer Spending Forecasts projects a slower expansion of the volume of discretionary expenditure from 23 per cent last year to 21 per cent this year. This is expected to be within the slower growth of overall consumer spending from 5 1/2 to 2 1/2 per cent between the two years.

Discretionary spending covers cars, household durables, clothing and footwear, beer, wines and spirits and various services. The slowdown is projected as a result of a much slower rise in living standards than last year, and an expected increase in indirect taxes in the spring budget.

Within the total, spending on household durables is projected to slacken from 10 to 4 per cent between last year and this year, while the increases for the two years are estimated at 8 and 2 1/2 per cent for clothing and footwear, and at 12 and 4 per cent for wines and spirits.

The Staniland Hall report discusses in detail the prospects for leisure spending, about 23 per cent of all consumer expenditure. It suggests that spending on leisure times should increase by an average of 4 per cent a year in real terms over the next five years.

The most rapid rates of growth—about 6 per cent a year—are forecast for entertainment and recreational services and leisure goods and equipment.

A slower overall rate of output growth in the UK has also been forecast by the Henley Centre in a report especially commissioned for this evening's edition of the Money Programme on BBC2.

Henley projects a slackening in the expansion of total output from 3.8 to 3.0 per cent between last year and this year, with the result that unemployment will begin to rise again in the second half of this year.

Investment

The report also examines, as will the television programme, prospects for various regions of the UK. Total output is expected to grow less in England than other parts of the country, with investment per worker only about two-thirds of the rest of the UK.

In Wales, the large investment programme—for instance by Ford Motor—should ease the heavy dependence on the steel industry and mean a slight fall in unemployment.

In Scotland, total output should rise this year by 4.1 per cent, compared with a 3 per cent increase for the UK as a whole.

In Northern Ireland, output should increase by 7.5 per cent in real terms this year after a 3.9 per cent rise last year.

Brokers de Zoete and Bevan argue in a new review that a more restrictive set of policies will be needed to reduce the present overheating of the economy and offset potential rises in the cost of imported materials. Interest rates should remain high for most of this year.

Closer links sought among services

FINANCIAL TIMES REPORTER

THERE IS "still a long way to go" in improving consultation and collaboration between housing and other social services, according to a report from the Central Policy Review Staff, the Government's "think tank."

The report—Housing and Social Policies: Some Interactions—looks at the impact of housing policies on a number of other services, including personal social services, education, social security, police and employment.

It concludes that although many authorities are co-operating better, more integration can be achieved.

"There is a substantial gulf between the viewpoints of people in different services and at different levels of responsibility," the report says.

"At one extreme, there were those in central government con-

scient that their policies were understood and effective. At the other extreme were providers of services at the local level, unaware of the reasoning behind central policies and concerned with quite different objectives."

The report accepts that there could never be a "total social strategy" in which existing policy and new decisions are related to one another, and that more integration at central government level could impinge on the freedom, at local level, to arrive at the balance of measures considered appropriate.

Developments across a wide field, from housing investment programmes and inner city partnerships to transport policy and National Health Service Planning, needed to be compatible with each other and the Department of the Environment could look comprehensively at this problem.

Call for London local government shake-up

By PAUL TAYLOR

THE London Chamber of Commerce has called for a big shake-up in London's local government structure, with greater powers given to the London boroughs and some powers devolved from central Governments to the Greater London Council.

The Chamber, which has 8,000 members in Greater London, says that in many areas there is far greater scope for transferring power downwards than was envisaged in the Marshall Report on the GLC published in July.

In five areas, planning, transport, employment, housing and education the Chamber seeks increased devolution. It calls upon the GLC to ensure early implementation of its proposals directly or through legislative changes where necessary.

On planning, the Chamber says that procedures should be simplified within a much clearer development framework. Like the Marshall Inquiry, the Chamber accepts that develop-

ment control should remain the responsibility of the local boroughs within a flexible GLC land-use plan.

However, it also calls for an ending to Government intervention through Industrial Development Certificates and the Development Permits which the Chamber says should be scrapped.

The chamber says that confusion can arise when borough and GLC industrial policies conflict and suggests that the boroughs should be given greater autonomy over business and employment matters. It rejects the Marshall proposal that companies should have to contact the GLC before meeting the local council.

The Chamber accepts that the GLC should be made the sole planning authority responsible for implementing the Docklands Strategy.

On transport, the Chamber says the Government should hand over responsibility for all trunk roads in Greater London to the GLC, which should also be made a passenger transport authority.

European bank's lending scheme to widen

By Anthony Moreton, Regional Affairs Editor

THE SCHEME under which the European Investment Bank makes loans to assist smaller firms in development is to be extended.

Last year, the Department of Industry signed an agreement with the bank which made available £20m at very favourable rates of interest for sums ranging from £30,000 to £2.6m. Next year £30m will be offered and the minimum loan will be reduced to £17,000.

Altogether, 32 loans were approved this year, utilising £19.65m of the bank's tranche. There were already a number of applications in the pipeline although the fixed rate of interest has gone up from the 7 1/2 per cent at the time the scheme started to 9 per cent.

Borrowers also pay another 1 per cent for exchange cover but even at this raised level the rate offers a very good discount on what can be obtained in the commercial market.

One of the intentions of the scheme was that it would help create more work. Polythene Drums, of Skelmersdale, which borrowed £750,000, expects to create 100 jobs over the next three years.

The company is a blow moulder of plastic containers, employing 123 people outside Liverpool, where it applied for the scheme. This number has already risen to 137. By the end of this year it expects to have 173 on the payroll and 223 by the end of next year.

Precedent

Another company which has borrowed from the bank is Melrose, tea and coffee merchants of Leith, Edinburgh, which raised £220,000. It employs 97 and its target is a further 39.

Melrose is extending its factory in order to increase its overseas sales which run at between 20 per cent and 25 per cent of turnover.

One of the other attractions of the loans for industry is that under the arrangements, borrowers can still apply for regional development grants. This brings the effective cost of the borrowing down from 10 per cent (with the exchange cover) to about 4 per cent.

The bank's facility set a precedent when it was launched because it applied only to the UK. Companies in other countries can apply directly to the bank, a step precluded in Britain under the Industry Act, 1972.

The Department of Industry said yesterday that it was delighted with the success of the scheme in its first year and early indications were that this year would prove to be equally successful.

The European Investment Bank was set up to make money available largely for development in the less advanced areas of the Common Market. This year its work accounts for more than two-thirds of its lending in the Community.

Conference to probe safety at work

By Paul Taylor

THE PROSPECTS for improving safety at work will be discussed by union leaders, management representatives and safety organisations at a conference opening in Gford on Friday.

Mr. Albert Booth, the Employment Secretary, is expected to be one of the speakers at the three-day conference, organised by the British Safety at Work Trust and sponsored by the Bland Payne insurance brokers group.

About 120 delegates, including representatives from the 10 joint management and union safety committees who recently won the Bland Payne Safety Award, are expected to attend the conference, the first of its type ever organised.

Squirrels threaten forests

By COLLEEN TOOMEY

SCOTLAND'S forest owners are facing attacks on their woodlands from two pests in addition to the already rampant Dutch elm disease.

Both state and private owners are concerned at the growing numbers of grey squirrels, which attack hardwoods, and the spread of the beauty pine moth, which attacks foliage.

be made legal in parts of Scotland to control the grey squirrel.

The Forestry Commission says that it is trying constantly to get woodland owners to control the grey squirrel, but it is the private forestry owners with the bulk of hardwood forests that are being hit.

Commander Tony Claridge, secretary of the Scotland Woodland Owners Association, says that 8 per cent of the land planted for timber is affected by the grey squirrel, with the spread going from Deeside in the north to Tweedside in the south.

Last week the association sent out a questionnaire on grey squirrel populations to 1,500 owners, organisations and companies, including forestry contracting firms.

Legislation

Mr. Booth, guest speaker at the opening, is expected to speak on industrial democracy and worker participation.

The main object of the conference is to discuss how, in the light of recent legislation, factories, offices and other workplaces in Britain can be made safer.

Mr. Bill Simpson, chairman of the Health and Safety Commission, will speak on health and safety in the 1980s, and Mr. Victor Munns, the commission's secretary, will review the objectives of the recently introduced regulations covering the appointment of trade union safety representatives and joint management union safety committees.

Mr. Alec Scott, United Electric's industrial relations director, is expected to give the employers' view of worker participation in health and safety at work.

UK NEWS

House price rises may reach 15% forecasts Abbey

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

HOUSE PRICES should rise this year by between 10 and 15 per cent, according to the Abbey National, the country's second largest building society.

End of bonus may put up a quarter on tea

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

RETAIL PRICES of tea are expected to rise by at least a quarter this month after the end of the special trade bonuses.

Brewers may increase cost of pint by 3p

BY OUR CONSUMER AFFAIRS CORRESPONDENT

BEER PRICES need to rise by up to 3p a pint to enable the big brewers to restore and maintain their profitability this year, a leading City analyst claimed yesterday.

Scotch exports well up

BY OUR CONSUMER AFFAIRS CORRESPONDENT

SCOTCH WHISKY exports rose sharply in November, bringing the 11-month running total for last year well ahead of the previous year.

World bulk carrier fleet has fewer idle vessels

BY LYNTON MCLEIN

THE WORLD fleet of oil tankers, combined carriers and dry bulk cargo vessels, has up to 20 per cent more vessels under repair than in January 1978.

Turnbull's return may be Peugeot's master stroke

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE EUROPEAN motor industry is extremely short of top-class management talent and it shows. So the return to the UK motor industry of Mr. George Turnbull as chairman of Peugeot UK will be seen as a significant success for Peugeot PSA, Chrysler's new owners.



Mr. Ray Pitt, of Dulwich, skis in St. James's Park instead of jogging, his favourite exercise

Good turnout as back-to-work Britons shrug off the freeze

BY OUR INDUSTRIAL STAFF

BRITAIN began to shrug off the New Year blizzard yesterday. Although not by any means normal, road, rail and air services all improved and most of industry reported an almost complete return to work.

Theatres seek £25,000

BY COLLEEN TOOMEY

AFTER 18 months operating on a shoe-string budget, the Theatres Trust is asking the Government for at least £25,000 to help it to provide a better service to local planning authorities and theatre owners.

Improved postal services urged

By John Lloyd

THREE New Year resolutions for the Post Office have been proposed by the Mail Users' Association, the group which represents the interests of the big postal customers.

Productivity

Underlying the first "resolution" is the association's concern that productivity in the postal business is static, if not declining.

LABOUR

Managers to vote on lifting pay dispute sanctions

BY PAULINE CLARK, LABOUR STAFF

ABOUT 1,400 managers in the Bradford-based Provident Financial Group will decide in the next two days whether to lift sanctions or face immediate dismissal in their nearly six-week-old pay dispute.

Government accused by civil servants

BY OUR FOREIGN STAFF

THE 24,000-STRONG Civil and Public Services Association, the biggest trade union embarking on this year's Civil Service wage round, accused the Government yesterday of "fanning the flames of industrial unrest".

New attempt to solve journalists' strike

BY OUR LABOUR STAFF

FRESH attempts to find a solution to the national strike by 9,000 provincial newspaper journalists were being made last night by leaders of the Newspaper Society and the National Union of Journalists.

Subscribers criticise new telephone books

BY RHYS DAVID

THE POST OFFICE is under increasing pressure to abandon a controversial new district telephone directory system introduced in Manchester last year.

Kuhn Loeb adviser

SIR DEREK MITCHELL, the former high-ranking UK Treasury official, has joined Kuhn Loeb Lehman Brothers International, the U.S. investment bank, as a senior adviser.



MR. GEORGE TURNBULL Uses cutlans rather than rapier

As a result of his five-year voluntary exile from Britain, Mr. Turnbull is reputed to have earned a tax-free £500,000.



Mr. Ray Pitt, of Dulwich, skis in St. James's Park instead of jogging, his favourite exercise

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ENERGY Heat pump project progresses well

AFTER one year's work on the development of the direct-fired heat pump at Glynwed, it is becoming clear that initial design predictions are proving correct.

Satisfactory laboratory test rig results have shown that it is possible to run the turbine of this unit in excess of 150,000 rpm with excellent results.

Based on the belief that to use electricity as the prime mover in a heat pump system is a nonsense, the project uses a Rankine power cycle which can be operated by gas, solid fuel, oil, or solar energy.

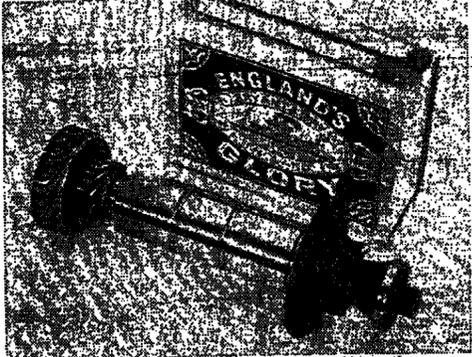
The initial unit is powered by gas using an appropriate burner and heat exchanger. Full environmental control can be achieved to provide the additional advantage of chilling in summer simply by reversing the heat pump cycle. A micro-processor-based control system has been designed to provide safe and economic year-round operation of the entire system when working in the domestic environment.

To ensure that the whole unit is tested under the most stringent conditions, two test chambers have been built to simulate a variety of environmental conditions ranging from 40 degrees C below to 40 above. Both chambers are computer-controlled and can produce a complete range of humidity and temperature variations. Data so far compiled shows that completely repeatable test conditions can be achieved within the chambers in order to evaluate component behaviour. It is hoped to provide a series of units for different loads extending into both the industrial and commercial fields of operation.

The Glynwed project has been given EEC support and further money is in the pipeline. Interesting is that potential users still find it hard to cope with energy in a piece of equipment to bring in much more energy from the environment. Yet all that one has to do is mentally to reverse the method of operation of the ordinary domestic refrigerator/freezer and think of the radiator of the unit as being installed out of doors.

What is significant about the Glynwed development is that it offers the distinct possibility of cutting fuel consumption for domestic heating by 50 per cent at the least.

Naturally, initial installation costs will be higher than with



This is the turbine (the only moving part) which can provide a steady output of 10kW of heat.

conventional equipment. But that cannot provide summer cooling as well as winter heating. Prospects for fuel costs are for rapidly accelerating growth and it seems that the Glynwed concept has many trumps in hand.

This concept is so designed that the domestic heating/hot water cycle has two inputs—one from the power side which drives the turbine and one from the heat pump side driven by the compressor coupled to the turbine. Each input takes the form of the condenser unit for the heat pump cycle and the power turbine cycle respectively.

The heat pump is a traditional design using a compression/refrigeration cycle and the same high temperature, high pressure resistant fluid chosen for the power cycle.

But only one moving part is used by Glynwed—the turbine—and a great deal of work has been put in to achieve optimum design. The key component—the rotor—could be produced relatively cheaply by a powder metallurgy approach.

So far as is known, the Glynwed approach with the direct-fired heat pump is the only one applicable to domestic use. Others are for much larger scale industrial units.

The first prototype will have a heat output of 10 kW to produce hot water for a domestic heating circuit with minimal demand on primary energy resources.

At the same time, because of the design characteristics mentioned above, installation problems will be relatively slight.

But, above all, the true prime fuel utilisation co-efficient—which is not the traditional COP—of the Glynwed design will be 150 per cent against only 70 per cent for an electrically driven heat pump.

Glynwed Group Services, Headland House, New Coventry Road, Sheldon, Birmingham B26-3AZ. 021 742 2366.

## ELECTRONICS Motorola in the race

FOLLOWING the September announcement of Texas Instruments that it would be starting volume production of 64,000 bit random access memory chips early in 1979, Motorola has joined the queue to reveal a similar intention and has also disclosed a starting price in the U.S. of \$130 per device.

The announcement follows hard on the heels of the news from TTI Semiconductors that the Footscray plant is to be the subject of a £10m injection, with UK Government help, leading to the production of 64k devices—although the timing for volume production of the memories is not disclosed.

The Motorola product, MCM6664, is similar to the Texas chip in having a 150 nanosecond access time, a single five-volt power supply requirement and a 16 pin package. Maximum power dissipation, however, is a little higher at 250 mW, the Texas device consuming 200 mW maximum.

## IN BRIEF

- A 32k bit ultraviolet-erasable programmable read-only memory from Intel, now in volume production, is pin-compatible with two of the company's ROMs, allowing an easy change from product development to final production. More about the 2732 on Oxford 771431.
- Motorola has a single chip cathode ray tube controller, MC6845, which interfaces the bus of the M6800 micro with the raster scan circuits of CRT displays in terminals, video games, etc. More on 01-902 8836.
- For use in doppler radar equipment, Microwave Associates has developed a series of Gunn diode oscillator units operating in the 13 to 14 GHz band. The company is at Dunstable on 0582 601441.
- Available in one-inch and two-third-inch sizes are new versions of Toshiba's Chalcid camera tubes in which the spectral response has been extended into the infra-red. Distributors are Norbain of Reading on 0794 864411.
- Siegart thick film ceramic resistors, fixed and variable, are being supplied by Lemo (UK) of Worthing (0903 204651).

## POWER Stabilised supplies

MINIATURE encapsulated a.c./d.c. converter power supplies for providing stabilised 5V or 12V outputs from unstabilised 5V inputs are available from Gould Electronic Components division.

MC (single-output) and MCD (dual-output) series devices have built in metal casing for radio-frequency interference shielding, and are designed for ease of mounting on standard printed circuit-boards. Ten models are available in the range.

Output voltage is maintained accurate to within plus or minus 0.5 per cent, and line regulation is within plus or minus 0.02 per cent. Minimum breakdown voltage is 500V d.c. and minimum isolation resistance is 1000 Megohms. Typical isolation capacitance is 80 picofarad.

With an efficiency of 61-62 per cent, the MC and MCD Series can operate over an input range of 4.65-5.50V d.c. at 100 per cent rated output load and 4.40-6.50V d.c. at 60 per cent rated output load.

Gould is at Raynham Road, Bishop's Cleeve, Herts. MK23 5FF. 0279 551555.

## Operating the flood barriers

THREE series-wound dc motors manufactured by Small Electric Motors, Sydenham, are being installed as emergency units for operating the flood barriers on the River Lee.

The Lee is one of the main tributaries of the River Thames and this barrier forms part of London's defences against dangerous high tides. Normally, the barriers are lowered and raised by means of electric power from the supply grid. Should this source fail then a stand-by generator provides the supply for operating the barrier; and if this also fails for some reason, then the SEM motors will come into service in a stand-by capacity.

These motors are powered by storage batteries placed close by. The latter drive the hydraulic pumps which lower and raise the sluice gates in the event of an emergency.

The barriers come into use when the Thames Water Authority, responsible for the River Lee, is alerted to a tidal surge which will raise the incoming tide to dangerous levels.

Small Electric Motors, Kangley Bridge Road, Sydenham, London SE26 5AS. (01-659 4031).

## RESEARCH Fluid flow metering simplified

A NEW metering system to measure fluid flow in large pipelines, at a fraction of the cost of meters currently in use, has been developed at the Technion, Israel Institute of Technology.

Invented by Professor Anthony Peranio, the instrument is basically an improved by-pass meter. In earlier systems, it was necessary to divert the flow to a meter attached to the side of the pipe. But, re-directing the liquid sometimes caused clogging. In addition, the shunt meter was not as sensitive as a regular metering system measuring total flow of liquid through the pipelines.

The Technion development puts the shunt meter directly within the pipe, eliminating the need for diversion of the fluid flow. Important also is relative insensitivity to clogging and fouling and thus improved calibration life.

Another valuable asset is ease of maintenance. The shunt meter may be checked and replaced without having to shut down flow in the main line.

Technion, Israel Institute of Technology, Technion City, Haifa, Israel.

## PROCESSING Microfilm to dust

PORTABLE Factory Equipment of Birmingham has built a unit called the Versistared Micro 3 which reduces microfilm and microfiche to dust and thus ensures that these items end up in the form of absolutely illegible particles.

It is also capable of handling 16, 35 and 105 mm formats and paper punch cards, and films which melt easily, thus not being acceptable by the normal type of shredder due to adhesion to the cutters.

## Produces purified water

TWO NEW two-stage automatic deionisers are to be introduced into the standard plant range of Houseman (Birmingham). TSA 300 and TSA 400 thus take their place, alongside the company's existing range of TSA deionisers designed for industrial high-quality process applications.

## COMPONENTS Seals cut machining costs

DOUBLE-ACTING piston seals for hydraulic cylinders by Weir Polypac have been developed with the aid of computers and incorporate a number of successful features of existing seals.

Suitable for use in the most arduous operating conditions, they can be fitted to one-piece pistons or as a replacement for other seals on split pistons. They are being made initially in a range of sizes to suit OSO cylinders from 50 mm diameter to 200 mm diameter.

Orp-Pak seal is manufactured from compounds designed for selected by Weir Polypac to operate in a pressure range up to 500 kilograms-force per square cm or 7,000 lb-ft per square inch, when suitably housed, and over a wide temperature range in a variety of hydraulic fluids.

The fluid control element is moulded in a tough, low-friction material based on 75 degree IRHD nitrile rubber, and a material developed by the company is used to manufacture the support members. Anti-extrusion bearing rings can be supplied for customers' specific operating conditions if required.

The result is a long-lasting seal, reliable in operation and easy to replace in the field. It is suitable for service in almost all climatic conditions and is strong enough to withstand the harsh conditions encountered with modern earthmoving machinery. Its reduced depth makes possible the use of lighter pistons, requiring less machining.

Weir Group, Cathcart, Glasgow G44 4EX. 041 637 7111.

## Hose takes very high pressures

LIGHTWEIGHT, flexible hose with less than half the weight of wire braid hoses for the same working pressures has been introduced by Polypenco.

Nylaflo Type 624 has been developed for those airless spraying applications where the nature of the material requires higher operating pressures than hitherto and electrical conductivity through the hose is necessary. The material will operate at pressures up to 5,000 psi (350 bar) with a 4:1 safety factor.

The hose consists of an extruded seamless tube chemically bonded to a high tensile synthetic reinforcement and an abrasion-resistant cover. An electrical conductor is sealed between the cover and the reinforcement braid.

Service temperature is from minus 40 to 100 degrees C. The hose is resistant to paint chemicals of all types, solvents and oils.

Any static electricity which may be generated at the spray gun is conducted safely to earth via the built-in conductor.

Nylaflo Type 624 is available in 1/2 and 1 inch bores in lengths of up to 200 metres. The hose is only supplied complete with permanently swaged fittings suitable for these high pressures.

Polypenco is at Welwyn Garden (07073) 21221.

# One day old and a multimillion pound company

Pontllanfraith,  
Nr. Blackwood, Gwent.  
Tel. Hengoed (0443) 813721.

**Chicopee Limited**

Dear Sirs,

As a brand new company which opened its doors for the first time yesterday, we already employ over 450 people at our factory in South Wales and have a multi-million pound turnover.

The new company has been formed within the worldwide Johnson & Johnson organisation to expand our manufacturing and marketing of nonwoven products and to invest in the new and developing technologies in the nonwoven fabrics industry.

During 1979 over £2,000,000 in capital investment is going to be spent on enlarging and improving the factory at Pontllanfraith and the installation of new production facilities.

So although Chicopee is just one day old it is already a front runner in the technological advances being made in the nonwoven fabric industry.

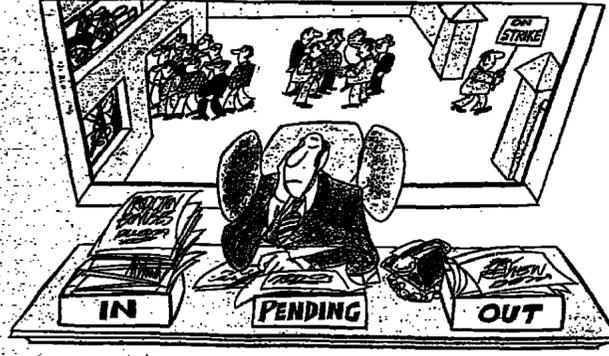
هكزا من الأصيل

THE MANAGEMENT PAGE

British strikes: how they look from the factory floor

By J. J. Maling, a former shop steward, and for ten years branch secretary of a leading trade union

WE OUGHT to keep a sense of proportion about Britain's strike record. For one thing, even if we were to treble the official figures for strikes, far more working days are lost through the common cold or accidents at work, and ten times more through unemployment.



Perhaps even more misunderstood is the way strikes occur. Most people seem to have an impression of an immensely powerful union organisation or irresponsible shop stewards calling out thousands of reluctant workers. Things often look a little different when you're at the sharp end, on the factory floor.

Not only are strikes not very frequent in most workplaces, but those which do occur are usually quite spontaneous and, more often than not, quite unorganised. Frequently the shop steward, and almost invariably the union's district office, only hears about them after they have started.

workers approved of this attitude. Staff members were inclined to be a bit toffee-nosed in their attitude towards the manual workers, as if they were one step up the ladder to the dizzy heights of management; and the manual workers sneered at the staff as bootlickers (or words to that effect) enjoying special privileges.

night staff telling them they were supposed to be working; while exceptionally astute stewards might well phone round first to tell their members not to answer the door.

If you get the impression that our union affairs were more than a little confused that would not be an unfair judgment. But the attitude of the workers — both sorts — was crystal-clear, compared with that of the management, who had even less idea of what was going on than we did.

- 1. Stay at home, but you won't get paid.
2. Stay at home and you will get paid.
3. Come to work and work normally.
4. Come to work, but don't do any.

Mind you, I'm only giving a rough idea of the thing; in practice there would be far more contradictory orders than that. But surprisingly, there is one good thing to be said for this seemingly crazy system. It works. Disagreements which have dragged on for months, causing bad feeling, bitterness, loss of production, and poor quality work, are rapidly resolved in nine cases out of ten as soon as there's the first whisper of a possible strike.

A powerful dissenter on German export strategy

By Adrian Dicks in Bonn

CONVENTIONAL business wisdom in West Germany has long held that the remorseless rise in the Deutschmark, coupled with the high level of social benefits paid to workers, will price the country out of world markets within a few years unless one or other trend can be checked.

What is the use of trying to compete, in areas like bulk steel products, with the enterprising Brescian or with the wage levels of the third world? The only answer, the argument generally runs, is for Germany to concentrate still more on high technology, or what Friedrich Karl Flick, who has just finished investing DM 1.6bn of his own money in them, calls "intelligent" products.

It is refreshing to hear a contrary view. It comes from the executive chairman of Maschinenfabrik Augsburg-Nuernberg (M.A.N.), the diversified engineering group which is the centrepiece of the Gutthoffnungshuette family, Western Europe's biggest mechanical engineering concern.

Mr. Moll's argument itself has a somewhat classical simplicity about it, and not a few businessmen who hear it may be tempted to a wry smile. What makes it worth paying attention to is M.A.N.'s own experience.

Third world

The company's export sales have not varied more than a point or two above or below 40 per cent for the past five years, during which time it has not only weathered the revaluation of the D-Mark by 53 per cent against the weighted average of currencies of West Germany's 22 most important trading partners. The M.A.N. group has also pushed total sales up from DM 2.6bn to DM 4.4bn (parent concern).

One of the lessons it has learnt, says Mr. Moll, is that simple products often fare best. Thus M.A.N. has spent a good deal of time and money developing printing presses, diesel engines, machine tools and other machinery for use in the third world, only to find itself introducing them on the home market too.

Specifically, the company is pinning a good deal of its hopes for the recovery of its diesel motor business, hit hard at the heavier end by the shipbuilding slump, on a new line it calls the simple diesel motor. It is West Germany ought to be concentrating their skills not on the products they turn out but on the way they manufacture them.

information on this development, full testing of which will start in March. But Mr. Moll stresses that the simple motor is designed steeply to reduce the man-hours involved in manufacture, as compared with older types in the same 400-600 KW range. For the customer, too, the simplified design is intended to cut down the time needed for maintenance.

Fewer man-hours? Must that mean fewer men to work them? Mr. Moll would say no. On the contrary, M.A.N.'s experience suggests that the high level of investment needed to achieve the savings Mr. Moll refers to has had a highly satisfactory effect on employment. Between 1970 and 1978, the M.A.N. group's total manpower scarcely changed, falling only marginally from 46,268 to 46,134. During the same period, some 1.3m industrial jobs in West Germany disappeared.

"In the area where we carried out the most rationalisation, that is in vehicle building, we now employ about 6,000 people, or 47 per cent more than in 1970. In the machinery construction and steel fabricating sector, we've had to reduce our manpower by about the same number. The loss of jobs has therefore come about in those areas which are least suited to automation.

M.A.N.'s experience perhaps goes some way to explaining how it plans to co-ordinate production with White Motors, the American heavy vehicle building company in which the German company recently acquired a 12.5 per cent stake. There are still many components, including truck engines, that M.A.N. reckons it can produce more cheaply in Germany, despite the widening gap in favour of the U.S. of wage costs in the two countries. That is not to say, of course, that M.A.N. likes the prospect of a further drop in the dollar against the Deutschmark any better than any other German company as the new year rolls in.

A scheme to cut sick leave costs

By Eric Short

WHAT should be the policy of employers towards employees who fall sick or are off work through accident? Should they regard them as non-productive and leave them to manage on Social Security until they are fit for work again? Or should they adopt a paternalistic attitude and make up their earnings, partially or in full, while they are off work?

The first approach sounds heartless, partly because at first sight the sickness benefits provided by the State do not seem generous — £15.75 per week for a single person, £25.50 for a married couple and an additional £1.85 per week for each child.

Since these benefits cover only those sickness benefits paid over short periods — up to one year — the payments from this policy to the employee are tax free. Thus the employer can ensure that he only makes up take home pay levels, not gross salary levels, with a saving in costs.

Advertisement for the 25th London International Boat Show 79. It features illustrations of various boats and provides details about the event, including dates, location, and ticket prices.

Advertisement for Key wording. It discusses the importance of clear communication in contracts and provides advice on how to structure agreements to avoid disputes.

Advertisement for Employee Benefits. It highlights the advantages of a trust-based benefits scheme, including the ability to tailor contributions and ensure tax efficiency.

Business Problem

BY OUR LEGAL STAFF

An agent's commission

I recently purchased a business for £10,000 to include lease, goodwill and fixtures and fittings. By arrangement with the vendor, the price was reduced by £1,000 from £11,000, provided we paid agent's commission on behalf of the vendor on sale price. The agent is now claiming from us commission on £11,000 and not the £10,000 which I paid for the business. Is the agent legally entitled to a commission on £11,000?

We think that the agent is justified, since £11,000 was the price agreed for the business before the arrangement was made to pay in the form which you describe. Basically, the approach

NOTICE OF REDEMPTION

To the Holders of Phillips Petroleum International Investment Company

6% Guaranteed Sinking Fund Debentures Due 1981

Due January 15, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of January 15, 1966 under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on January 15, 1979, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, \$660,000 principal amount of the above described Debentures. The serial numbers of said Debentures so selected are as follows:

- Outstanding Debentures of \$1000 each of prefix "M" bearing the distinctive numbers ending in any of the following two digits: 05 05 13 33 34 45 52 55 58 62 63 67

- Also outstanding Debentures of prefix "M" bearing the following numbers: 2575 2775 3175 2475

On January 15, 1979, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b), subject to any laws or regulations applicable thereto in the country of any such office, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Paris, or Banca Commerciale Italiana in Milan or Bank Mess & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Coupons due January 15, 1979 should be detached and collected in the usual manner. Payments at the offices referred to in (b) above will be made by check drawn on a bank in the City of New York or by transfer to a dollar account maintained by the payee with a bank in such City.

On and after January 15, 1979 interest shall cease to accrue on the Debentures herein designated for redemption.

Phillips Petroleum International Investment Company

Dated: December 14, 1978

NOTICE The following Debentures previously called for redemption have not as yet been presented for payment: 24 216 4126 4844 7703 11130 13954 14603 16044 16075 16202 17077 17198 17910 20011 20310 20448 21240 224 4197 5068 7021 11132 14020 14089 15047 15077 15093 17080 17200 18483 20013 20312 20443 21406 289 4896 5345 7004 11125 14020 14089 14761 15081 15082 17050 17173 17309 18322 20266 20424 20477 21434 1516 4696 5347 7962 11216 14026 14761 15081 15082 17050 17173 17309 18322 20266 20424 20477 21434 2018 4117 6072 8072 11215 14022 15082 15083 15084 15085 17051 17180 17310 18566 20268 20427 20478 21435 3182 4841 7630 8813 13979 14089 15272 16073 16373 17061 17180 17310 18566 20268 20424 20477 21435 3183 4843 7633 10475 13974 14078 16035 16074 16468 17070 17181 17615 19781 20281 20442 20929

Advertisement for Brown Brothers Harriman & Co. It announces the admission of new General Partners: Landon Hilliard III, Eugene C. Rainis, and Lawrence C. Tucker. The firm's offices are listed in New York, Boston, Philadelphia, Chicago, St. Louis, Los Angeles, London, Zurich, and Grand Cayman. Effective January 1, 1979.

Advertisement for Business Problem. It offers legal advice on an agent's commission issue, explaining that the agent is likely justified in claiming commission on the full price agreed before the discount was applied.

Advertisement for Banque Extérieure d'Algérie. It promotes a new issue of 7.7% Japanese Yen Bonds of 1978 - Series A, due 1988. The bonds are valued at ¥10,000,000,000. The placement is a private placement arranged by The Bank of Tokyo, Ltd. and The Nomura Securities Co., Ltd.







Paris Opéra

Makarova and Nureyev

by CLEMENT CRISP

There was an ironic dance situation in Paris at the Opéra...



Natalia Makarova

The matter is all the more deplorable in that a couple of miles away...

and showed us the essential Swan Lake... Bourmeister's fourth act is confused, exasperating...

Television

No news is bad news

by CHRIS DUNKLEY

Television marked the 1978 winter solstice in the manner to which it has become accustomed...

Though Britain itself froze over and bizzards, ice, and floods brought chaos to roads and railways...

Their foreign reporting was as scrappy as the BBC's and it did not help to have Marty Lewis in Tehran claiming that reports of the Shah leaving were coming from "a highly placed aide from the palace..."

Yet our own eyes tell a very different story. They prove that the news is most needed, and the public is having unusual difficulty getting it from the traditional sources...

Those programme presenters whose series were not considered suitable or strong enough in re-usable material to support the cobbling together of patchworks from old programmes...

Val Doonican's Christmas In The Country on the same evening was notable mainly for appearing to have been made entirely in a city studio...



Ronnie Barker and Ronnie Corbett

Lowe as the king, Jack Douglas as the villain, and the ever-under-valued though deservedly busy Henry McGee as Santa's toy maker.

Further, BBC 2 offered a highly enjoyable trio of programmes produced by Manfred Gräter...

And, of course, there was Southern TV's rendering of the Glynedebourne Magic Flute in which Hockney's famous designs proved highly suitable for television...

Next year the broadcasters should remember that there are no grounds whatsoever for assuming that we all throw our brains away with the Christmas wrapping paper...

LEGAL NOTICE

No. 003721 of 1978 In the HIGH COURT OF JUSTICE Chancery Division...

COMPANY NOTICES

GOLD FIELDS GROUP

DECLARATION OF DIVIDENDS—UNITED KINGDOM CURRENCY EQUIVALENTS

Table with columns: Name of Company, Dividend No., Amount per share. Lists companies like Interim Dividends, Kroll Gold Mining, etc.

By Order of the Board: E. WERNER, London Secretary.

SENTRUST LIMITED

NOTICE IS HEREBY GIVEN that a general meeting of the shareholders of Sentrust Limited will be held...

CLUBS

EVE, 189, Regent Street, 734 5582. A la Carte, 40, 42, 44, 46 and 48, and 50, Regent Street...

KONISHIROKU PHOTO INDUSTRY

NOTICE TO EDR HOLDERS Further to notice of October 12, 1978...

By Order of the Board: CHAN HO, Secretary.

EUROPEAN DEPOSITORY RECEIPTS

A distribution of 50,393 per cent depositary receipts covering the shares of the company...

INTERNATIONAL DEPOSITORY RECEIPTS

A cash distribution of 50,393 per cent depositary receipts covering the shares of the company...

EDUCATIONAL

FLORENCE. Learn Italian quickly and easily with the British Institute...

New York

Emigré artists

by FRANK LIPSIS

While they are still living in Moscow, the emigré artists Vito Komar and Alexander Melamid had a show in New York...

enough time to judge the effects of emigration on the satirists. Vito Komar and Alexander Melamid had a show in New York...

PUBLIC NOTICES

CITY OF PORTSMOUTH 61.3m Bids, closed 29th December, due 31st January 1979...

PROPERTY RESOURCES LIMITED 20th December 1978. NOTICE TO CREDITORS

BEANER DEPOSITORY RECEIPTS

ISSUED BY MORGAN GUARANTY TRUST CO. LTD. REPRESENTING SHAREHOLDERS OF BEANER ELECTRIC

BOND DRAWINGS

REPUBLIC OF AUSTRIA 6% Bonds 1979/84

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.\$1,200,000 due 31st January, 1979 has been met...

Table with columns: Bond numbers, amounts. Lists bond numbers like 1235 to 1250, 1287, etc.

Wednesday January 3 1979

**Bourses in 1978**

# Last quarter dashes hopes on world stock markets

BY MARTIN TAYLOR

## The silence of Farmer Jim

THE ROW which has broken out between France and Germany over the Monetary Compensation Amounts paid under the EEC farm policy—the subsidies and levies which enable farmers to trade despite very low domestic price levels—seems rather marginal, as we argued yesterday, to the operation of the European Monetary System as a whole. On the other hand it is not marginal at all to the operation of the farm policy itself. Britain has chosen to remain on the sidelines of the EMS, but has campaigned ceaselessly for a reform of the farm policy. It is ironic, then, that the British Government should have nothing to contribute to the argument on the grounds that it is a matter for those inside the EMS.

**Award balance**

At first sight, there is a stronger reason for a British silence. The regime of "green" currencies and subsidies has helped to prevent the depreciation of sterling in earlier years from appearing fully in the level of British food prices. It also has the unfortunate side effect of providing large subsidies for high-cost German and efficient Dutch producers, among others, while margins in British farm production are tightly compressed, and domestic food production is lower than it might otherwise be. There is thus an awkward balance to be struck between the interests of farmers and those of consumers. The French argument for lower MCAs would imply higher retail prices in the UK.

However, this is an excessively narrow and short-term view of the issue for a Government which proclaims the need for fundamental reform. If the EEC farm policy as a whole contains a large element of nonsense, as the British have always argued, the regime of artificial exchange rates and the supporting apparatus of subsidies and taxes is its most nonsensical element. The official British position is that we would willingly abandon the whole apparatus if at the same time rational prices could be imposed for farm products inside Europe. This sounds high-minded and consistent, but is in fact evasive. There is no chance at all of any quick move towards rational and truly common prices, which would level the playing field in real income for high-cost producers of surplus products—namely German dairy farmers.

If we are serious about our reform strategy, the only workable tactical approach is to support proposals which involve some movement towards realism.

Viewed in this light, the French demands are at least a basis for discussion, though they are in some ways obscure and in others possibly over-ambitious. When the Common Agricultural Policy was launched, it may be remembered, it was argued that the need to preserve a unified agricultural market would make it virtually impossible for EEC members to tolerate parity changes. When this naive idea was firmly overturned in the late 1960s and afterwards, another illusion seems to have taken its place: exchange rate changes were essentially short-term movements to accommodate speculative pressures. Arrangements to stabilise farm incomes while the monetary problems were resolved therefore seemed logical.

In fact, of course, exchange rate movements have tended to be cumulative trends rather than temporary swings. As a result, the regime of green currencies and MCAs has become cumulatively more expensive and distorting.

**Starting point**

If this process is not to go on for ever, dictated by the political strength of the farm lobby in Germany and its near-impotence in the UK, then the French demand that future increases in MCAs should indeed be temporary and transitional seems a sensible starting point. Assuming that past trends in exchange rates are to some extent continued, this would at least apply some pressure where it is most needed—to the subsidised production of surpluses in high-cost countries. The second French demand, for the total elimination of MCAs over perhaps four years is, as it stands, unrealistic. It could only be supported if other steps towards realism were taken at the same time—steps to eliminate persistent surpluses, and to direct EEC subsidies more to low-income producers rather than to temperate foodstuffs. However, the French initiative could at least put these questions, which have long pre-occupied British Ministers, on to the Community agenda. If Britain remains silent, she cannot expect her future producers to build up a firm policy to be taken seriously.

ONLY THREE months ago the world's major stock markets were close to unanimous optimism. The bulls were in control nearly everywhere and the perennial suggestion that equities were in for the re-rating necessary to catch up with five years of inflation came to the surface again.

The last quarter of the year has dashed a number of hopes. Some of the markets have fallen substantially and even those which have more or less maintained their best levels are entering the New Year apprehensively. To put the markets into perspective, the Capital International World Index (unadjusted for currency changes) gained 9.4 per cent in the first 11 months of the year, barely recovering the 7 per cent decline it registered in 1977. This is partly explained by the disappointing performance of Wall Street which closed for Christmas marginally below the level at which it started the year.

Although the various national markets largely reflected domestic pressures, a number of international factors helped to explain the development of stock market prices.

### Loan demand slack

With the exception of North America and the UK, international interest rates were generally steady or falling in 1978 with loan demand slack and liquidity plentiful. In Europe, a massive political shadow was lifted with the defeat of the Left at the French parliamentary elections in March. International political news was not as unsettling, as in some recent years. Fears of a slow down in world trade as a result of extremely sharp currency movements were offset by the high level of industrial orders from developing countries and the opening of the Chinese market. Economic growth in OECD countries has been running close to expectations.

But towards the end of the year the capacity of stock markets to cope with volatile currencies came under tremendous strain as the dollar's chronic decline was abruptly reversed by President Carter's November 1 package, only for speculative pressures against the currency to build up again as the year-end approached. Oil prices rose by more than had been hoped and the breakdown of order in Iran, set against instability in South West Asia in general, has been increasingly disturbing.

The bull markets earlier in the year were marked by a

reversal of the concentration—so evident in 1977—on equity yield. The Tokyo and German stock indices advanced in spite of a relatively sluggish performance by the Japanese export traders and the German engineering and chemical majors, which have heavy index weightings but were held back by the strength of the yen and the D-mark. Second-line stocks were re-rated in many centres. In Canada speculative buying of gold and Alberta oil and gas shares fuelled the rise of the Toronto exchange.

Wall Street has seen a number of false dawns during the year, and the peak of the interest rate cycle although often proclaimed, remains elusive. Institutional liquidity has been built up strongly but the feeling that common stocks, as well as bonds, have further to fall is widespread. Worries about overheating of the U.S. economy have been replaced by an apparent determination to talk the economy into a recession, from which, it is argued, a healthy-based stock market could emerge. As so often in the past, U.S. equities look cheap from outside the country, and tumultuous one-day advances, like the record 35.34 point spurt in the Dow Jones Index on November 1 showed what the market was capable of when it looked as though the problems of inflation and the dollar decline were being tackled. But the investors who have done best this year are those who took profits when the Dow Jones Index was around the sensitive chart point of 900 in the late summer.

The relentless rise of U.S. interest rates was to some extent catching. Abetted by the large credit demands of the British Government at a time when private sector loan demand in the UK was rising, it forced the Bank of England Minimum Lending Rate to a defensive 12½ per cent and torpedoed both the market in British Government stock which had been the star performer in 1977, and through further contagion, British equities. The FT 30-Share Index struck a peak in September before reacting downwards in a final quarter marked by unsuccessful official attempts to apply an incomes policy and an uncertain trend in company profitability.

Largely because of the currency gains that have accrued to non-Japanese investors, the Tokyo market has been the object of much overseas attention, although a number of other stock exchanges—even Hong Kong, in spite of its vertiginous last-quarter fall—have performed better over the year. The Tokyo Stock Exchange has risen very steadily throughout 1978, supported by the enormous amassed liquidity of local institutions, boosted by Bank of

	% above 1978 low at end-year	% below 1978 high at end-year	gain (loss) on year
New York (DJ)	9	11	(3)
Tokyo (New SE)	23	1	21
London (FT 30)	9	12	(3)
Germany (Commerzbank)	8	5	4
Paris (Bourse 1961)	60	8	43
Zurich (Swiss Bk. Corp.)	11	11	(4)
Toronto (Composite)	30	2	23
Hong Kong (Hang Seng)	30	29	24
Sydney (All Ordinary)	32	4	14
Johannesburg (Industrials)	38	5	27
Amsterdam (Industrial 1970)	6	13	1
Milan (BCI)	24	16	24
Singapore (Straits Times)	37	16	31

	OECD forecast of 1978 economic growth (%)	OECD estimate of 1978 growth (%)	Expected broad index dividend yield on year-end prices (%)	Long-term government bond yields end-1977 (%)	Long-term government bond yields end-1978 (%)	Trade-weighted currency changes (%)
U.S.	4.25	3.75	5.5	7.9	8.9	-8.4
Japan	5.0	5.75	2.1	6.1	5.6	+19.5
Germany	3.25	3.0	4.9	5.6	6.5	+5.8
France	3.25	3.0	5.7	11.1	10.0	+2.9
UK	3.0	3.0	5.8	10.8	13.1	-2.2

### Japan foreign exchange market intervention

The build-up of margin positions has led to forecasts of a more or less severe market collapse in early 1979 but the Tokyo market enters the New Year heartened by industrial orders from China which, like the German mining order from China, suggest encouragingly that the strength of the Japanese and German currencies has not destroyed export competitiveness. There has been growing investor interest in blue chip export stocks which had earlier been relatively neglected.

### The Paris Bourse

The strongest advance was shown by the Paris Bourse. French shares had been on a falling trend since early 1978 in anticipation of a Leftwing Government, and by the end of January 1978 the gains made in an upward reaction in mid-1977 had been cancelled out. The Bourse's response to the election results was predictable—several days of unprecedented advances on record high turnover. The last quarter has seen substantial profit-taking and the market's enthusiasm has been quenched a little by rights issues and offerings of Government debt.

The German market has turned sour in the past two months after having looked both technically and fundamentally sound in the autumn. One reason has been the withdrawal of buyers: foreign investors, many from the Middle East, who had bought German stocks in their flight from the dollar earlier in the year, disappeared from the market after the November measures, although profit-taking was not substantial. In addition, German insurance companies, which have been tempted to increase their equity holdings by the dividend tax reform, pulled out in mid-November to settle their books for the year-end, and the market has lacked support.

More significantly, however, the Bundesbank sent a shiver through the market by the measures it took to curb excess liquidity—a raising of banks' minimum reserve requirements by DM 4bn and a DM 5bn lowering of maximum rediscount quotas. Considering the size of the foreign currency inflow into Germany (DM 13bn or so since July alone) and taking into account the fact that banks were not up against their rediscount ceiling the effect of the measures has been mostly psychological, but no one doubts that the authorities are prepared to take steps to neutralise the domestic money supply effects of any further foreign inflow.

The steel industry strike and German dependence on Iranian

oil have not helped matters in the last few weeks. Bond market yields are creeping up and may reach a level at which they attract funds from the equity market. But the fundamentals for the German economy look encouraging into 1979, even if inflation seems to be tending slightly higher.

Some Far Eastern stock markets gave passable indications of those heady days at the beginning of the decade: Hong Kong and Singapore with booms and half-busts, and Australia with fresh interest in speculative mining stocks. South African industrial stocks performed very strongly both absolutely and, in spite of the soaring bullion price, relative to gold mines; liquidity was very high and interest rates fell.

In Italy the Bourse's surge was not maintained but the Milan index ended the year showing a very healthy rise. Amsterdam lost all its mid-year gains and the Swiss bourses moved narrowly, stifled by controls on foreign investment and the effects of the appreciating franc on Swiss industry.

It may be that 1978 will be remembered as the year when the equity share came timidly back into fashion at the expense of fixed-interest investments. Buy the fall in most stock markets in the last quarter shows how fragile the recovery has been, and the experience of Wall Street and London suggests that it is very vulnerable to any widening of the reverse yield gap. With a little luck this modest revival may hold in 1979, but it is unlikely to be mistaken for a renewal of the equity cult of the late 1950s when there were few doubts about the capacity of share holdings to retain their value.

### Extreme case

The most sobering feature of 1978 is that currency gyrations have been so severe as to upstage all but the most spectacular index performances. To take an extreme case, a (remarkably foolhardy) American who had borrowed yen at the beginning of the year to buy the index shares of the tumbling Madrid Bourse would have shown less of a capital loss than another American who had simply borrowed yen because the peseta's appreciation against the dollar more than made up for the 12.4 per cent decline in the Madrid stock market. He would have been more profitably employed borrowing Canadian dollars to buy French shares—buying the French index in January with C\$ 1m would have given him a capital gain of \$US 625,000 after repaying the loan. Not a bad return for an index fund.

## Cold east wind for Comecon

THE DEPTH of a harsh winter is a good vantage point from which to view the problem of energy supply, especially when it closely follows an OPEC price rise and the sort of threat posed by the situation in Iran.

But, while western experts worry about the security of future oil supplies and the accumulating delays involved in getting nuclear energy past environmental lobbies and popular suspicion, Eastern Europe has extra cause to rue inclement weather at this particular time. For 1979 is the year of truth. Up to now the Soviet Union, which is Comecon's main supplier, has been selling oil at prices based on a five year average of world prices which, up to now, has meant at least one pre-1974 oil price year. This year the average no longer includes this bonus while the latest OPEC rise came in time to be included in the 1978 price level.

That price rise was good news for the Soviet Union which earns nearly \$6bn, or over 45 per cent of its hard currency earnings, from sales of oil to the West, and a slightly smaller sum in soft currencies from its sales to Comecon. It needs the money to pay for the rapidly increasing cost of production from its Siberian oil fields. But the higher prices, roughly on a par with world prices, create a major problem for the economies of Eastern Europe.

**Major problem**

Not only has the Soviet Union raised the price of oil and gas, it has also told its partners that they can no longer rely on annual increases in oil shipments after 1980. Gas is a different matter. The Orenburg pipeline, connecting vast Soviet gasfields at the foot of the Urals with Eastern Europe, has now been completed and shipments should rise steadily as the compressor stations come progressively on stream. But future increments in oil demand will have to come from OPEC or other sources or from the Soviet Union—BUT only at world prices paid for in dollars. The response of Eastern

Europe has been to step up investment in coal, lignite and nuclear energy and try to dampen the rise in domestic energy consumption by appeals for greater efficiency and swinging rises in the price of petrol and other products. But the sort of power cuts which have troubled Poland and several other Comecon countries in recent months indicate the difficulties they face in providing sufficient power to accommodate the ambitious growth targets set in the last two five-year plans in particular.

Now the extreme cold threatens to disrupt production in the already harsh climatic conditions of the major Soviet producing areas and affect the transport and distribution network which is already severely overloaded throughout Eastern Europe.

**Targets cut**

The severe cold is a temporary problem; it is an extreme version of what the Soviet Union calls its "arctic tax," the penalty for living in such Northern climes. But it gives added significance to a marked trend towards retrenchment which has emerged from discussion of growth targets in most Comecon countries for 1979.

Even without a harsh winter the problems of paying for energy, producing high-quality goods for export, servicing the growing foreign debt and keeping higher living standards at the same time are proving an increasing strain. Throughout the bloc investment targets are being cut, the emphasis is being placed on completing existing projects rather than starting new ones, and a drive is under way to squeeze higher productivity out of men and machines. Romania has added to the list a refusal to increase its military budget as demanded by the recent Warsaw Pact summit. If economic difficulties were to spill over, as they may, into political and social unrest it might well be an example looked upon with increasing interest by several other members of the bloc as well.

## MEN AND MATTERS

### Big fish for the thinking pool

It could be the weather that is making tropical islands so attractive to the world's big thinkers: after Guadalupe, the rendezvous will be Bermuda. Dr. Johannes Witteveen, erstwhile head of the IMF, will be flying there next month to brood—along with thirty leading economists, bankers and officials—on problems of the world financial system.

The Rockefeller Foundation is putting up \$500,000 a year for three years for the independent and international group Witteveen will chair. It is a star-studded cast: Bundesbank president Otmar Emminger, Bank of England executive director Kit McMahon, and Abdul Aziz al-Qurashi, governor of the Saudi Arabian Monetary Agency, are among those who have agreed to participate on a continuing basis.

The first issues, on the agenda for Bermuda, are floating exchange rates and the new European monetary agreement (or disagreement). But over the months, the 30 wise men hope to cover many diverse causes of world economic and monetary troubles.

The danger that it could all become somewhat rarefied should be countered by the presence of key executives from the private sector: IBM, Shell and Credit Lyonnais are on the list. The group is unique in a predecessor, the "Bellagio Group," has long since vanished, and the "Committee of Twenty" sunk virtually without trace; but Witteveen and his colleagues think they will be more high-powered than the former and more flexible than the latter.

The only full-time official so far appointed is Robin Pringle, currently editor of *The Banker*. He will be executive director, based in New York, in charge of permanent staff, as well as chief executive of a non-profit-



A note of realism seems to have crept into this year's party.

making corporation that will be set up to seek other sources of funds.

One immediate puzzle afflicts Pringle—what the global think tank is to be called. Since one of the problems to be resolved is the relationship of the dollar, the ECU, and the Yen, how about the "Bermuda Triangle"?

### Flying save

With a bankers draft amounting to slightly over £7m in his briefcase, Trevor Minter will fly to Hamburg from London today. Minter is a divisional director of insurance brokers Willis Faber Dumas, and will hand over the draft tomorrow to Hapag Lloyd, owners of the freighter Munchen, which vanished in an Atlantic hurricane last month.

It is the largest payment handed over by Willis Faber Dumas: DM 27m, about 30 per cent of the cost of the Munchen's hull and other equipment. On a separate policy,

there is also the cost of the barges carried by the vessel.

The firm is sending Minter over today (weather permitting) not just because of the size of the payment. Their accountants told them the personal touch would save them about £10,000 in bank charges.

### Back on tap

Just in time for the New Year Saudi Arabia has, I learn, removed its boycott of six subsidiaries of Whitbread and Company. Quite what Long John Distillers, one of the companies involved, can have to do with absentminded Saudi Arabia, was something of a mystery to the Whitbread's spokesman, and also to me. But it was evidently enough to have justified more than two years of fierce negotiation, about par for the course for securing removal from the Arab blacklist.

The six companies previously belonged to a U.S. corporation on the boycott list and it took that long to persuade the Saudis they were now part of a different group.

De-listing often takes much longer, and is rendered troublesome by the often mysterious reasons for blacklisting in the first place. There are wrong names among the 1,100 or so on the list, and non-existent firms. The rationale is to prevent trade with anyone whose business tends to strengthen the Israeli economy, but for some reason a firm selling ladies' underwear rubs shoulders with the firm Snow White and the Seven Dwarfs—the horse is called Samson.

### Screen idle

While the British film industry sinks with scarcely a whimper into the role of servicing Hollywood with special effects, a Gallic cri de coeur has hit the French book-

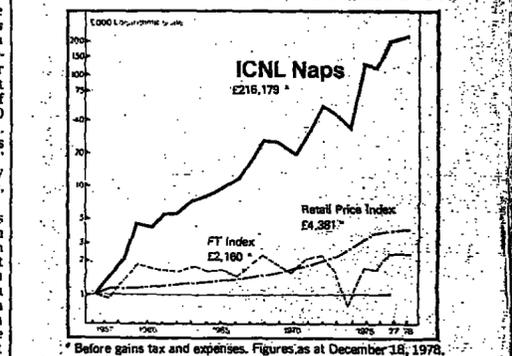
shops. A wordy and passionate 400 pages long, *Les Maledictions du Cinema Francais* analyses a tradition rendered almost derelict, in the view of author Francis Courtade, by rampant pornography, the parasitism of television—now showing 500 films a year—and high taxation. In particular, Courtade sees the 1974 film "Emmanuelle" as the Trojan horse which, by making sex films respectable, opened the floodgates.

Courtade is not alone in his fears for the future. French film-makers recently sent an open letter to President Giscard, pointing out that in two decades sales of cinema seats had fallen from FFf 410m to FFf 176m, and that State-run television was paying the same for a 90-minute film as it demanded for one minute of advertising time.

### Head start

It seems the Nixonian taste for an attractively-retouched head of hair has not caught on. An advertisement in a San Francisco newspaper suggests: "If you are an ambitious young executive, you don't need us to tell you that older men are still the ones picked for the most responsible and highly-rewarded posts. So get that mature look with an undetectable wig that make you grey at the temples, slightly balding (to choice), and irresistibly distinguished."

## DON'T MISS THE NAP SHARES FOR 1979



At the beginning of every year the IC News Letter selects a number of shares (generally six) for capital gain over the following twelve months—its Star Nap Selections. The chart above shows the cumulative 12-month performance of each year's Nap Selections over the last 22 years, including that of the 1978 selections. If you had invested £1,000 in the 1957 Nap Selections and reinvested the proceeds at the end of each year in the new annual selections, your initial £1,000 would now be worth £216,179 (before gains tax and expenses) against a mere £2,160 if you had invested in the FT Index and £4,381 if you had managed to keep pace with inflation.

In addition to its traditional Nap Selections, the IC News Letter gives regular weekly recommendations. The overall record shows that its recommendations have beaten the index by a wide percentage margin averaging into double figures on an annual basis. The News Letter also has an impressive track record with its general market and selling advice over the years, as supported by the many appreciative letters received from subscribers, and it has extended this to other important investment areas.

The IC News Letter, published every Wednesday, is available on postal subscription only. Use the coupon below to order your subscription now, starting with the 1979 Nap Selections. Many regular subscribers describe it as their best investment ever.

Please enter my name as a subscriber with the 4 January 1979 Nap Selections. FT 9.1 (enclosed)

£25.00 for one year (240.00 airmail outside UK) (includes 50p binding)

£150.00 for six months trial subscription (£22.00 airmail outside UK)

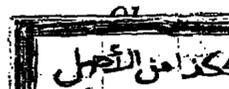
(Cheques to be made payable to Thompson Publications Ltd.)

Mr/Ms/Ms (BLOCK LETTERS PLEASE)

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

MARKETING DEPT., INVESTORS CHRONICLE, INCL. FREEPOST, LONDON EC4A 3BY



# Oil finds revive growth in Mexico

By HUGH O'SHAUGHNESSY, Latin America Correspondent

"I THINK that the U.S. will eventually get around to paying the price we're asking." With all the alchemy of a water seller in the desert, the Mexican minister was smiling and relaxed as he commented on the long drawn out tug of war which has been going on about the price of the natural gas which Mexico is willing to sell to its great northern neighbour.

The discovery of oil and natural gas in huge quantities has brought to Mexico a sense of hope and self-confidence such as has not been experienced since the Spanish in colonial times started making their fortunes out of the local silver mines. On Monday it was announced that proven reserves had doubled to 30,120 barrels (compared with 16,700 barrels in Saudi Arabia). Mexico's importance as a big new exporter of oil increases by the hour as the outlook in Iran and the rest of the Middle East stays cloudy.

Until the announcement of the recent finds there were those who were prepared to write Mexico off as a hopeless case in the developing world. The dawn when Professor Walt Rostow hailed Mexico as an example of economic "take-off" faded. The acute lack of financial resources, best illustrated by the foreign exchange crisis of 1976 and the subsequent devaluation, a faltering agricultural sector, a high birth rate, and huge unemployment made the prospects for this country of 65m people grim in the medium and long term. Some observers of the state two years ago were forecasting revolution and the breakdown of society within a decade, as the Government became increasingly unable to deliver the benefits which its rhetoric proclaimed it was seeking for the mass of the people.

As President Jose Lopez Portillo enters upon his

third year in office the prospect of tens of billions of dollars flowing into Mexico and the Government's confidence has dissipated the gloom. Though the mood is far from euphoric—the sight of most of the 12m people of Mexico City living in very bad conditions indeed is a sufficient antidote to euphoria—there is a sensation that with good planning, hard work and some luck Mexico could be beating its economic problems by the 1990s.

The new mood has been helped by the fact that, in contrast with his predecessor President Luis Echeverria, the present head of state, is an energetic and well organised politician who does not like promising what he cannot deliver.

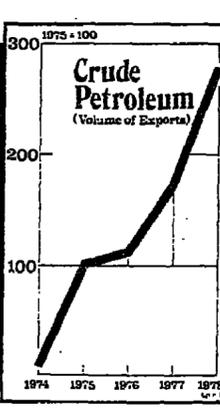
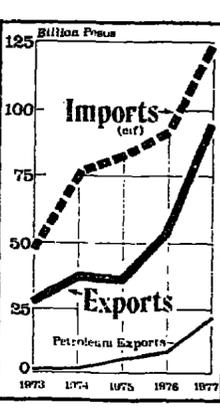
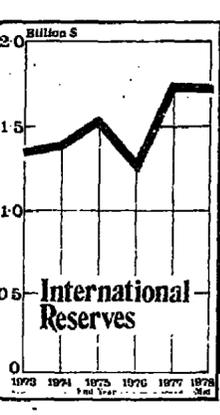
One of the clearest visions of the future of Mexico was set out in November at a Financial Times conference in Mexico City when Licencio Jose Andres Oteyza, the minister in charge of the public sector industries, announced: "The capacity for financial self-sufficiency which the oil profits offer, allied to the right plans for their use, can allow our economy to grow at annual rates of 10 per cent for a relatively long period without pressure on the balance of payments or extreme inflationary effects. With this growth rate the new work force can be absorbed and hidden unemployment slowly eradicated by the 1990s, the last decade of this century. It will also allow us to double our industrial resources in the space of six or seven years."

Given the fact that Mexico no longer faces an immediate doom, President Lopez Portillo and his colleagues are setting about the systematic reform of the political system confident that their labours will not be in vain. The Government party, PRI, or Institutional Revolutionary Party, which under one or other guises has been ruling Mexico since the end of the revolutionary struggles in the 1920s, is being transformed—not without a great deal of internal resistance. From a demagogic group of politicians who were keen to maintain their own positions in the status quo than seek creative answers to the problems of Mexican development, the President and his able ally, the party secretary-general, Sr. Gustavo Carral, are aiming to transform it into a genuine political party which will be sensitive and responsive to the needs of the rank and file. If their efforts are successful and new blood is pumped into the hardening arteries of the PRI, the political situation in Mexico will take a much healthier turn.

Meanwhile a debate is going on in Mexico about how the big new oil revenues should be spent. Should they be administered directly by the state to set up new publicly owned industries and to improve the physical and social infrastructure of the country, or should they rather be employed to give extra stimulus to private business through tax cuts and incentive schemes?

The first option seems to be winning as many in the Government see the bonanza as an investment opportunity to strengthen a state apparatus which has for long been considerably less powerful than Mexico's well developed and highly articulate private sector. Those who want a stronger public sector point to the fact that taxes are very low in Mexico and argue that any further lowering of them would make little economic sense.

Thus the state industries such as Pemex, the oil monopoly, CFE, the electricity concern, Sidemex, the steel company, and Fertimex, the fertiliser producer, will be



given preference in the development of businesses germane to their own needs. They will be encouraged to develop new industries to provide themselves with the plant and equipment which they require for expansion.

Private business, Mexican and foreign, will by no means be frozen out. Industries which are supplying the hydrocarbons sector, which have good export possibilities, or which provide the staples of life for the Mexican in the street are promised tax concessions, depreciation in exchange for investment in production, export targets and use of locally produced components. The scheme has been called the Alliance for Production.

Blue Circle Industries, the British cement group which is a major shareholder in Tolteca, the biggest Mexican cement producer, is the first British company to be involved in the Alliance for Production scheme.

Blue Circle is providing Tolteca with help for a \$201m project, the largest expansion of the industry for five years. It is being financed by the International Finance Corporation and a consortium of banks including Libra, National Westminster and Midland.

Special incentives are to be given to industries outside the present overgrown population centres such as Mexico City and Monterrey. They will be offered fuels and basic petrochemicals at lower prices than in the rest of the country. Four sites, Tampico, Coahuacalco, Salina Cruz, and Lazaro Cardenas-Las Truchas, have been selected for especially favourable terms.

The Government feels that there are so many opportunities for expansion, so many plums to be pulled out of the pie, that the old wrangle between the public and private sector as to who shall be allowed to put in his thumb first is much less important than it was.

The self-confidence born of

the fact that the Mexicans feel they can foresee years of growth of up to 12 per cent a year based on increasingly valuable hydrocarbon resources has spilled over from domestic affairs to their foreign relations.

For the first time since the 1840s when the U.S. was taking over Mexican lands from Texas to Oregon and California the Mexicans feel they have some ace in their hand as they play their eternal game of poker with the Colossus of the North. The U.S. manifestly needs Mexican oil and gas and the fact that Mexico is a stable supplier with a common frontier makes it all the more attractive at a time of turmoil in the Middle East.

Mexicans are confident, as the minister quoted above made clear, that the U.S. will soon come round to paying the price of \$2.60 per 1,000 cubic feet which was agreed with six U.S. gas companies in 1977 but subsequently vetoed by the U.S. Energy Department which

decreed that only \$1.70 should be paid.

They are sure that U.S. desires for Mexican fuels will lead it to become more sensitive to the interests of Mexican immigrant workers and Mexican exporters, and of Mexican landowners whose fields have been polluted by the salinity of Colorado River.

While expecting a good market in the U.S. the Mexicans are also polishing up their rather rusty notions about how to export to other parts of the world. Deals have been signed with Japan and France, and Mexico is selling to Israel despite disagreements with the Israeli policy of selling arms to the Somoza regime in Nicaragua.

It may not be long before Mexican crudes come to Britain. The economics of the oil trade appear to make it viable for British light North Sea crudes to be sold in the U.S. and for the tankers that carry them to return to Britain with Mexican crudes. One big oil company is

expecting to do such a deal early this year.

Though it has been asked several times to join OPEC, Mexico has refused the offer of membership. The Mexicans feel they might be embroiled in political difficulties with Washington if they did join. They have nevertheless assured OPEC that they will not undercut its prices, adding, however, that neither will they necessarily go along with OPEC moves dictated by the course of political controversy in the Middle East.

If the Arab countries were again to think of imposing an oil embargo on the West in protest against its Middle East policies the Mexicans would clearly not join in Mexico would continue to supply all but would obviously not be averse to charging the going rate for the product.

Mexico, probably represented by Sr Oteyza, will be one of the four non-OPEC countries to be represented at the meeting scheduled to be held in London in February between an OPEC delegation and a group of non-OPEC oil producers.

The fact that Mexico has said that it will be coming together with Britain, Norway and Canada, signifies that it wants to explore in detail areas of common interest and possible co-operation with OPEC. As it is the biggest exporter of the four non-OPEC participants, the Mexican contribution to the debate in February will be of particular importance.

With one-third of his six-year presidential period over President Lopez Portillo says he is entering the most difficult two years as, in 1978 and 1980, Mexico will be laying the foundations for the sustained growth it hopes to enjoy in the 1980s and 1990s. But few informed Mexicans doubt that the light at the end of the tunnel is getting steadily brighter.

I helped... weeks... reaping... at which... the fund... into 1979... seems to be... her.

ar Eastern... ave possible... use heavy... Singapore... U.S. and... interest in... stocks.

Industrial... strongly... in spite of... price, relat... liquidity... interest rates... the Board... maintained... every... lost all his... rowly... foreign... of the... Swiss... fall in most... quarter... recovery... and London... very... With a little... revival may... it is unlikely... for a general... all of the... re capacity... to retain their...

Extreme... case

ost sobering... hat current... own... all but the... index... in extreme... sibly... had... of the... index... Mad... own... of another... mply... the... against... ide up for... the... market... are... Canada... inch... would have... in gain of... paying the... arm for...

THE... OR 1979

aps

We Letter... 83... over the... 12... 100... the... the... would... 91... you had...

ons... the... e... x... annual... with... b... as...

ed... to... how... Selection... their...

Jan... 1979... included... 1979... 1979...

## Air travel in the 1980s

From Mr. D. Bruce

Sir—Among the many admirable features of your survey devoted to airports and related services (December 21), I was quite staggered by the optimism of Michael Donner, your Aerospace Correspondent, who opened the survey by quoting forecasts of a quadrupling of the present level of 600m air passengers a year by 1990, without even a reference to his own article of December 18 entitled "Severe pilot shortage may restrict air travel" for one to any of the other constraints which I am about to mention.

Indeed, if the protagonists of the air transport industry were first to consider the implications of the future world fuel situation, then look back only five years into history, they might realise that many of the forecast new passengers will never materialise on any journey save the flights of fancy indulged in by the world's aerospace industry to cater for which airlines are spending everywhere and falling over themselves with grandiose investment and re-equipment schemes.

One cannot deny that there is growth in the industry, but such growth as the past two years have seen is largely attributable to the decreasing, or at least stable where otherwise, real cost of air travel in this period. And as soon as world demand for fuel oil overtakes supply, as many experts are predicting for the mid-1980s, it will become virtually impossible for air travel costs to be held stable in real terms, since the increased fuel efficiency of new aircraft types now coming on stream is in the nature of a once-off advantage.

Moreover, many scheduled airlines are now running the same risk as their charter counterparts did in the early-1970s (and still do), in relying for the profit-critical 25 per cent of their load factors, on a section of the public for whom air travel is a very marginal item in their budget, ready to be abandoned when their budget comes under domestic pressure, say through increased real prices for heating fuel and petrol, inter alia. Indeed, costs apart, who will supply the wherewithal to fuel (literally) the predicted growth in traffic?

Although any percentage increase in oil prices in the 1980s could hardly, at a stroke, match that of 1973-74, the starting base is now much higher, and certain other factors have turned against the airlines in the meantime. The next oil crisis is likely to affect airlines after they are irrevocably committed to re-equipment programmes, thus they cannot again defer fleet renewal, as happened in 1974. Prices in the used aircraft market will fall heavily, placing a further squeeze on the airlines' cash position. Between the mid-1970s and the mid-1980s keen competition from fast rail services in several countries of Europe will in any case have put many short-haul operations under severe pressure.

As in 1974, then, it will be the airlines (and their bankers) who are left to carry the baby—if they insist now in chasing dubious traffic weaned on a proliferation of low fares. But what of the airports? On the premise that a passenger from Manchester to Amsterdam

## Letters to the Editor

more than doubles his use of UK airport facilities by inter-linking in London rather than flying direct, there is obviously valuable breathing space to be gained, while the future traffic pattern becomes clearer, by providing direct international routes from under-used regional airports. This calls, however, for a more enlightened attitude on the part of licensing authorities; that was evidenced by the handling of British Midland Airways' recent application for routes from Liverpool.

To conclude, I wish no evil upon my many friends in the air travel industry, but it would be well if the coming years were to bring to their predictions a healthier respect for the finite realities of the world in which they operate.

Douglas Bruce,  
Three Ours,  
Rueholsstrasse 16,  
CH-4103 Bottmingen,  
Switzerland.

## Outlook for diesel cars

From Mr. R. Gormley

Sir—Stuart Marshall (December 20) has done an excellent job of informing readers about European (and some U.S.) diesel car developments. It does not go nearly far enough in upbraiding the Government for completing its failure to help avert the beating the UK motor industry is going to take in this market at the hands of the national makers in W. Germany, France and Italy to say nothing of the U.S. and Japanese multinationals. There is the obvious possibility that diesel penetration in the car sales in the UK, which is about 0.2 per cent will grow to narrow the gap with comparable EEC countries, where penetration is now within a remarkably narrow band around 6 per cent, and rising fast. If that happens over the next few years, conservative assumptions about UK imported diesel cars and the like indicate an annual balance of payments loss of about £200m. Countless millions need to be added to the negative side of the scale because of lost opportunities for exports of British diesel cars.

With that figure in front of me I have to assume that the Department of Trade, the National Enterprise Board and all the other departments set up to regulate and counsel British industry have good reasons for allowing this possibility to develop. Do they think our competitors will continue to fall adequately to supply the UK, as some recent trade correspondents have been told? Has a government report been written to establish that British car buyers are not like their counterparts on the Continent, and won't buy foreign diesels? Is the Government, fully in control through planning of nationalised industries, taxation policy and consultations, about to turn out coming losses to advantage as a stroke?

Recent measures indicate that this Government failures in this area are in no way being corrected. The DoT discussion paper about abolition of petrol excise duty and diesel cars. No time table has been announced for deciding how the UK will tax purchase of diesel cars or diesel fuel.

In European countries, these policies have been made, and in many of them differential taxes apply tight now to both purchase and use of diesel cars.

## Protecting pensions

From Mr. D. Blair

Sir—I fear that Mr. C. Mill (Attitude Gap, December 29) has fallen headlong into not one but two traps.

In the first place the protection afforded by the new State earnings related pension exists whether a company pension scheme is contracted in or out. Also, for many employees the earnings related pension will in time be anything but meagre.

While in theory it is perfectly possible for any or all pension schemes to participate in the existing "master club" swap arrangements, it is apparent that Mr. Mill is unaware why private sector pension schemes have not been exactly clamouring to join. The explanation is quite simple—the club subscription is too expensive.

Both employers and employees alike are unwilling or unable to spend unlimited sums on pension provision and as with any scarce resource it is necessary to allocate priorities. Until now both have preferred to concentrate on employees (as distinct from ex-employees), pensioners, and their respective families. Some might even regard this as a not unreasonable attitude.

What needs to be clearly understood by all those climbing on to the "leavers' lib" bandwagon is that improvements can come about only if other benefits are reduced or if the pressure for such improvements exists cannot be denied but the problem is largely the result of

## A summary of EEC finances

From Mr. J. Hood and others.

Sir—During a recent course at Ashridge Management College we tried to establish the source and distribution of EEC funds throughout the nine member countries.

Although we discovered there is a considerable quantity of

	Par head	Net	Income	Pay-	Agri-	Agri-	Regional	10%	Social
	per	poss-	total	ments	guar-	guar-	devel-	refund	fund
	head	ible	(m	(m	antees	antees	opment	(m	(m
Belgium	2.97	12.2	415.9	284.7	334.9	12.2	2.2	2.4	2.0
Germany	66.18	354.2	128.1	473.0	447.0	10.4	4.1	8.7	2.8
France	9.72	(601.3)	1,914.1	1,312.8	1,125.9	63.8	25.8	98.6	2.0
Italy	1.63	86.2	1,076.4	1,122.8	1,018.7	23.7	20.0	20.0	2.0
UK	0.02	(1.0)	555.2	554.2	391.9	13.2	60.7	48.4	40.0
Netherlands	1.04	(0.9)	8.5	8.6	6.5	1.9	0.1	0.2	2.0
Denmark	18.52	23.7	50.2	81.8	70.3	16.8	2.4	47.4	2.0
UK	5.12	(320.7)	657.4	336.7	146.4	27.3	48.4	65.8	47.8
			69.5	5,378.5	5,319.0	4,466.8	191.0	349.4	131.6
						87.4%	2.41%	3.6%	2.6%

## Interest rate structures

From Colonel C. de Lisle

Sir—It may come as a shock to readers that when disclosure regulations, under the Consumer Credit Act, are laid before Parliament, if passed as set out, a likely outcome is that all mortgage repayments will be raised right across the board. Surprise; for this commendable legislation, the result of the Crowther Report, was designed for a totally different purpose, namely to assist the public in making informed comparison between different rate structures at the same time protecting them against a lack of, or in some cases misleading information in loan advertising.

The disclosure regulations are relatively straightforward: lenders, whether in advertising or across the negotiating table, will in future be required to provide any borrower with at least three vital loan statistics, the "charge" (the total interest engendered by the loan, plus any extra charges incurred), the "annual percentage rate of charge" (the true nominal rate converted to its effective equivalent and truncated to one decimal place), and the "term" (the length of time the loan runs, or term, or maturity).

The "charge" at present is never precise and sometimes understates the actual. A loan of £10,000, over a stated term of 25 years, at the present nominal rate of 11 per cent pa requires scale payments of £104.50 monthly, and if the advance is made mid-June the actual term would be fractionally under the nominal term. But if the advance was made (say) on December 1 the actual term would be over 26 years and the nominal 25 years if so stated would be illegal. Unless building society accounting methods are changed, calculations which are by no means detrimental to the borrower, the only solution to comply with the Act in the future is to lift the existing scale payments by 1—(nominal rate/100) x 31/365), in this case making the new payments £115.50 monthly, to ensure that whenever an advance is made at no time will the nominal term ever be understated.

In the event building societies will soon be required to disclose as follows: loan £10,000, over 25 years; with a charge of £21,650 at 12.4 A% (A% please, not APR for this has a totally different meaning in the States and other parts of the financial world, namely the "nominal"). The "charge" became part of the disclosure procedure as it was thought to be a useful check when the asking rate was a "flat" rate for a repayment loan, or there was a plethora of extra fees, charges, penalties etc imposed on the borrower. It has little relevance to home loans, especially when the average life of such loans is around seven years.

I find it difficult to believe that the conscientious officials who drafted the Act, or the Members who voted for it in Parliament, ever envisaged such side effects, a rise in mortgage payments and a disclosure of a rate but irrelevant charge, related to home loans, and it is perhaps not without interest to reflect that "Crowther" specifically excluded from its recommendations any mention of home loans, considering them to be outside its terms of reference. In view of this it is not too late to hope that some formula can be found to exclude home loans (only) from the disclosure procedure although I would recommend that the annual percentage rate of charge be retained.

Colonel C. de Lisle,  
Ridge Park,  
Ridge Park, Bar,  
Hertfordshire.

## A plague on both TVs

From Mr. L. Cottrell

Sir—Your report (December 29) of the numbers who apparently preferred to watch ITV programmes on Christmas night instead of the BBC's offerings can also be construed as a condemnation of the fare provided by both channels.

If nearly half of the possible viewing audience were either not inclined to view any of the programmes or were masochistically bent on visiting relatives, then what the other half was content to accept is possibly not a true reflection of tastes or a cause for jubilation.

The little I saw on the respective channels can best be summed up by the Morecambe and Wise catchword of "Rubbish." Thank goodness we still have good radio programmes and recorded music as alternatives if indeed they are needed to entertain us or pass the time at Christmas or of course at any other time.

L. C. T. Cottrell,  
Shearwater, The Highlands,  
East Horsley, Surrey.

## GENERAL

Treasury announces UK official reserves for December.

Bank of England figures on capital issues and redemptions during December.

Sig. Emilia Colombo, President of the European Parliament, begins official visit to China (until January 7).

Special council meeting of Newspaper Society, representing about 260 employers, to consider developments in provincial journalists' pay dispute.

Trade day for London International Boat Show at Earls Court open to the public from tomorrow.

## Today's Events

Sir Kenneth Cork, Lord Mayor of London, attends formal opening of Sessions at Central Criminal Court, Old Bailey, EC4, 10.30 am; he lunches with chairman and directors of the Charterhouse Group, 1, Paternoster, St. Paul's, EC4, 1.15 pm.

OFFICIAL STATISTICS

Investment intentions of the manufacturing, distributive and service industries (1978 and 1980).

Trade day for London International Boat Show at Earls Court open to the public from tomorrow.

COMPANY RESULTS

Final dividends: Camford

## Engineering

Thos. W. Ward, Interim dividends: City of London Brewery and Investment, Somportex Holdings, Technology Investment Trust, Wilson Walton Engineering.

COMPANY MEETING

Epicure Holdings, Winchester House, 100, Old Broad Street, EC2, 12.30 pm.

SPORT

Tennis: Braniff Airways World £100,000 men's doubles championship, Olympia, London (until January 7). British Junior Court Championship, Queen's Club, London, Draw for the King's Cup (Great Britain v Hungary) starting in Sheffield tomorrow.

# DON'T WASTE YOUR TIME IN SOUTH AMERICA.

It's a reasonable assumption that any businessman planning a trip to South America would rather spend his time doing business than sitting about in airports.

But if your itinerary involves travel to a few major South American cities that is exactly what you could end up doing.

Fly Aerolineas Argentinas, after all we know the interior of South America better than anyone else.

We fly 747s and 707s direct to Rio and Buenos Aires with connecting flights to 46 other South American cities.

We have up-to-the-minute information on flights, times and connections. And you can book everything here in England.

So, next time you're flying to South America fly Aerolineas Argentinas.

UK COMPANY NEWS

RHM negotiating sale of Canadian interests

AFTER A year of unsatisfactory trading there, Banks Hovis McDougall is pulling out of Canada. It is negotiating the sale of its Canadian interests...

BOARD MEETINGS

Table listing board meetings for various companies including Hogg Robinson, Hollis Group, Midland Trust, etc.

The following companies have notified their Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends...

BONUS DECLARATIONS

Big increase in Norwich Union terminal bonuses

A SUBSTANTIAL improvement in the scale of terminal bonuses, payable on death or maturity claims, is announced by Norwich Union Insurance. But the company has declared an unchanged reversionary bonus rate for 1978...

7 per cent of the sum assured and attaching bonuses for entry year 1970 to 28 per cent for 1990 or earlier. The previous system was a flat 15 per cent of attaching bonuses. The new system will result in substantially higher amounts being paid on policies maturing this year...

MINING NEWS

Canadian mine tax hopes

IN RECENT years Canada's often ill-considered mining policies for her mines have been largely responsible for stifling the growth of the industry there. For example, such measures have included royalty payments based on the levels of metal prices alone without regard to operating costs...

industry has welcomed the report. Specific action arising from it has started with the November 16 federal budget with an increased investment credit...

Miller out of Oak Creek coal project

THE AUSTRALIAN shipping, coal and hotel group R. W. Miller has quit the AS200m (£122m) Oak Creek coal mining project in North Queensland only 20 months after buying its 20 per cent stake and only 24 months before the first shipment is due to be made, reports our Sydney correspondent...

Swiss refinancing by ICI

Imperial Chemical Industries is to refinance a major portion of its outstanding bonds in the Swiss capital markets with the aim of obtaining lower interest rates and longer maturities on its Swiss debt...

ICI is to be redeemed on July 15 at 100 per cent, and 81 per cent on 1978-85 to be redeemed on April 15 at 101 per cent. In addition, the ICI International Finance 6 per cent bonds 1978-88 will be redeemed on April 1 at 102 per cent...

While ICI has no matching Swiss franc assets, it does have assets denominated in Deutschmarks and guilders. These are regarded as giving the company some insulation against Swiss risk...

NEW LIFE BUSINESS

SPI ordinary income up

The Scottish Provident Institution, also benefited from a strong mortgage market last year. Its sales of low cost endowment contracts doubled in 1978 and resulted in annual premiums on Ordinary business rising by 18 per cent to £5.7m from £4.84m...

on its equity fund, its international fund and its property fund, which started last year. Net new annual premiums written in 1978 by The Mercantile and General Reinsurance Company, a company within the Prudential Corporation organisation, rose by 16 per cent to £12.4m from £10.7m...

WHESOE

Substantially increased sales. The Rt. Hon. Lord Erroll of Hale, Chairman, made the following points in his circulated review for the twelve months ended 30th September, 1978. Group pre-tax profit for the year to September 1978 amounted to £2,893,000. The Board recommends payment to shareholders of a final net dividend of 5.14p per share making a total of 5.14p for the year...

Yearlings' rate opens strongly

The coupon rate for the first round of local authority bonds in 1979 is 12 per cent, a significant increase on the pre-Christmas rate of 11 per cent and well above last year's opening figure of 7 1/2 per cent. The bonds are issued at par and mature on January 9, 1980. The issues are: Inverness District Council (£1,250,000), Midlothian District Council (£280,000), City of Durham (£250,000), Borough of Scarborough (£500,000), Kennet District Council (£260,000), Ynys Mon-le of Anlesey Borough Council (£250,000), Chislebury District Council (£750,000), London Borough of Hammersmith (£500,000), London Borough of Wandsworth (£1m), Kirklees Metropolitan Borough Council (£250,000), Tweeddale District Council (£250,000), Borough of Chesterfield (£250,000), City of Durham District Council (£500,000), Greater Manchester Passenger Transport Executive (£500,000), London Borough of Greenwich (£1m), Kirklees Metropolitan District Council (£250,000), Walsingham District Council (£250,000). The West Somerset District Council has raised £500,000 with an issue of 12 1/2 per cent bonds that mature on December 30, 1981.

Notice of Redemption

Copenhagen Telephone Company, Incorporated

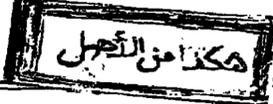
NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 1, 1971, under which the above described Debentures were issued, Citibank, N.A. (formerly First National City Bank), a Trustee, has drawn by lot for redemption on February 1, 1979, through the operation of the sinking fund provided for in said Indenture, \$373,000 principal amount of Debentures of the said issue of the following distinctive numbers: COUPON DEBENTURES OF \$1,000. PRINCIPAL AMOUNT OUTSTANDING. The Debentures specified above are to be redeemed for said sinking fund at Citibank, N.A., Broad Window—2nd Floor, 111 Wall Street, New York, New York 10043, the main offices of Citibank, N.A. in Antwerp, Belgium; Nice, France; Paris, France; Berlin, Germany; Düsseldorf, Germany; Frankfurt (Main), Germany; Hamburg, Germany; Munich, Germany; Athens, Greece; Piraeus, Greece; Thessaloniki, Greece; Milan, Italy; Rome, Italy; Amsterdam, Netherlands; Rotterdam, Netherlands; The Hague, Netherlands; Geneva, Switzerland; Lausanne, Switzerland; Lugano, Switzerland; Zurich, Switzerland; London, England; Belfast, Northern Ireland; and Dublin, Ireland; Citibank (Belgium) S.A.; Citibank (Luxembourg) S.A.; or at the office of Privatbanken i Kjøbenhavn, Copenhagen, Denmark; Algemene Bank Nederland N.V., Amsterdam, Netherlands; Kredietbank S.A. Luxembourg; Skandinaviska Enskilda Banken, Stockholm, Sweden; Swiss Bank Corporation in Basle, Switzerland; and Deutsche Bank A.G., Frankfurt (Main), Germany, as the Company's paying agents, and will become due and payable on February 1, 1979, at the redemption price of 100 per cent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on said Debentures will cease to accrue. Said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on said date with all interest coupons maturing subsequent to the redemption date.

Jugobanka Udruzena Banka \$20,000,000 Nine Year Loan. Managed by Loeb Rhoades, Hornblower International Limited, Canadian American Bank S.A., Marine Midland Limited, The Sumitomo Trust & Banking Company, Limited. Provided by The American National Bank and Trust Company of Chicago, Banque Commerciale pour l'Europe du Nord (Eurobank), Banque Internationale pour l'Afrique Occidentale 'B.I.A.O.', Canadian American Bank S.A., The First National Bank of Boston, Kredietbank SA Luxembourg, Marine Midland Bank, The Royal Bank of Scotland Limited, The Sumitomo Trust & Banking Company, Limited. Agent: The First National Bank of Boston. November 1978.

Costain Group Limited (Incorporated under the Companies Acts 1948 to 1976) Registered Number 1383778. Share Capital Issued and fully paid £ 16,000,000 Ordinary Shares of 25p each 13,900,167 £ 4,000,000 Deferred Ordinary Shares of 25p each 3,475,042 20,000,000 17,375,209. All the issued share capital of Costain Group Limited has been admitted by the Council of The Stock Exchange to the Official List. Particulars relating to Costain Group Limited are available in the Extel Statistical Services and copies of the particulars may be obtained during usual business hours (Saturdays and public holidays excepted) from 3rd January, 1979 to 17th January, 1979 inclusive, from: Lazard Brothers & Co., Limited, 21 Moorfields, London, EC2P 2HT. de Zoete & Bevan, 25 Finsbury Circus, London, EC2M 7EE. 2nd January, 1979.

Devenish Brewers—Weymouth & Redruth. Highlights from the statement of the Chairman of J. A. Devenish & Company Limited, Mr. A. E. Ledger Hill, O.B.E., D.L., for the 52 weeks ended 29th September, 1978. Proposed final dividend of 17.8% makes year's total 26.3%, the maximum permitted. (1977 - 23.6%). Beer sales in 'non-seasonal' areas of London and Bristol developing. Good profits from wines and spirits. Mineral sales 10% up. £2m. investment in new bottling plant at Weymouth to be in use next summer. Results at a glance 1978 1977 Group Profit before Taxation £1,370,935 £1,318,190 Group Profit after Taxation £774,089 £709,525 Available for Ordinary (after extraordinary items) £934,373 £822,932 Total Ordinary Dividend £241,908 £217,074 Profit retained in the Company £692,465 £805,958 Earnings per 25p Ordinary Share 20.7p 18.9p





# Armstrong paying £1.4m for Anglo-Swiss Hldgs.

BY ANDREW TAYLOR

ARMSTRONG EQUIPMENT, the automotive products and industrial fasteners concern, has agreed to buy Anglo-Swiss Holdings in a £1.4m deal. Anglo, which generates around half its turnover from screws and fasteners, made losses totalling £400,000 in the three years to December 31, 1977. However, Mr. Hooper, Armstrong's chairman and managing director, says he expects Anglo-Swiss to be making profits by the end of 1979.

He said: "We have had a good deal of experience of turning companies around. Crane Screw was earnings profits of £30,000 when we bought it and within a year it was producing annual profits of £500,000. We are well down the road to doing a similar job with Anglo-Swiss which we bought six months ago."

Armstrong is bidding 54p cash for each Anglo-Swiss share—or five of its own shares for every six Anglo-Swiss shares. It has already purchased a 44 per cent stake in the company from the Anglo directors and other shareholders.

Losses at Anglo-Swiss have largely been the result of problems at its screw-making company and group pre-tax losses during the first half of 1978 rose to £87,000.

Anglo-Swiss had planned a "drastic reshaping" of its screw-making activities involving major redundancies. Mr. Hooper said he did not know how far this rationalisation programme had gone but Armstrong would want to take a close look at this business before taking decisions on further moves.

Armstrong's offer of 54p a share compares with Anglo's suspended price of 29p but Mr. Hooper said that the offer was at a substantial discount to Anglo's net asset value of around 52p a share. Anglo's share price closed last night at 60p, while Armstrong's shares rose 1p to 66p.

Anglo's other business interests include industrial pressings and badge making. Armstrong, which generated pre-tax profits of £2.67m in the year to July 2, 1978, has been advised by Lazard Brothers and Anglo-Swiss by Barclays Merchant Bank.

for the year to December 31, 1978, and that Safecastle's consolidated balance sheet at that date will show net tangible assets, before deduction of deferred tax, of not less than £245,000.

To the extent that either or both of the profits or net tangible assets are less than the warranted amount the total consideration is to be refunded by the amount of the larger shortfall.

### EMI BUYS TICKET EQUIPMENT

EMI announces the acquisition of Ticket Equipment, a manufacturer of access control turnstiles, fire collection systems and ticketing equipment. The total consideration is £465,000 to be satisfied by the issue of some 248,000 EMI shares which are being placed for cash.

Ticket Equipment employs some 130 people at its factory in Cirencester, Gloucestershire. The business will become part of EMI's industrial electronics operations and will provide the major part of the EMI activities relating to its secure magnetics "watermark" technology through the development and manufacture of associated electronic ticketing and control systems.

### SECURICOR BUYS MINT SECURITY

Agreement has been reached for the sale by The Birmingham Mint of its wholly-owned subsidiary Mint Security to Securicor Services, the quoted subsidiary of Securicor Group.

Consideration for the capital of Mint Security is £100 cash and Security Services has also agreed to introduce some £35,000 by way of loan into Mint Security to enable that company to repay loans due to The Birmingham Mint.

The amount of loans to be repaid will be determined on the basis of accounts to be drawn up following completion of the transaction on January 3. A major part of the capital being injected by Security Services will be represented by tangible assets.

Security Services has also agreed to purchase from The Birmingham Mint certain fixtures and equipment used in the security business for £125,000 cash.

Audited accounts for Mint Security showed a loss before tax of £268,654 on a turnover of £745,673 for the year ended April 1, 1978, after providing £33,371 in respect of an insurance claim, subject to litigation, any ultimate benefit of which will be payable to The Birmingham Mint. Current unaudited management accounts disclose turnover running at an annual rate in excess of £1.5m with a considerable reduction in trading losses.

The cash received by Birmingham Mint from the disposal will be used to reduce its borrowings, to invest in new plant for its manufacturing businesses, and to make suitable acquisitions when opportunities arise.

### EDINBURGH AND GEN.

A large tranche of shares has been sold in Edinburgh and

## Thos. W. Ward to retain Tunnel stake

Thomas W. Ward is to retain its 29.6 per cent stake in Tunnel Holdings despite having failed to block Tunnel's £10.5m purchase of Barrow Hepburn's chemical division.

Mr. Peter Frost, Ward's chairman, said yesterday: "We acquired the Tunnel stake because of the group's strong cement interests. It still has these and we see no reason at this stage to dispose of our holding in Tunnel."

At the end of last month Thomas Ward voted against the Barrow Hepburn deal but failed to block the purchase with the bulk of the remaining Tunnel shareholders in favour of the acquisition.

Mr. Frost said: "We thought it inappropriate for the company to make this investment but we are still happy with our stake in Tunnel."

The City Takeover Panel is satisfied that Mr. Lapham and Mr. Ferguson Lacey were not acting in concert.

### BTR PURCHASE

BTR's aerospace subsidiary, Palmer Aero Products, has completed the purchase from Plessey Aerospace of its precision fabrication unit which manufactures metal flexible hose and bellows for aircraft.

The business, previously at Plessey's Titchfield plant, is being relocated in Palmer Aero's operations at St. John's Wood, London.

### BARRATT

Further to the announcement made by Barratt Developments (Hull) on December 5 regarding the acquisition by that company of E. Barker, Barratt Developments advises that the total consideration was £817,500. This information was accidentally omitted from the original announcement.

## Security Pacific Corporation

has acquired

## American Finance System

We assisted in the negotiations on behalf of American Finance System and served as its financial advisor.

## Warburg Paribas Becker

Incorporated

January 1979

# HOW TO REDUCE YOUR COMPANY'S FUEL BILL

Do you know that most small-to-medium size companies are wasting 10 to 15 per cent of all the fuel they use for heating, power and lighting? Over 12 months that can cost a tidy sum. It could be the difference between making a profit and just breaking even.

All you have to do is fill in the coupon and we'll send you details of the scheme and a list of independent professional consultants.

When you've chosen a consultant, he'll spend a day at your premises studying your company's energy use. He'll send you his report recommending simple modifications which could lead to substantial savings.

And the Department of Energy will pay up to £75 which is most of the cost of the survey. So, fill in the coupon and find out how to reduce your company's fuel bill.

And, even if you've already started to tackle the problem, you've a lot to gain by finding out how much energy you may still be losing. Pin-pointing the wastage isn't that difficult. Especially if you take advantage of the Energy Survey Scheme.

# CUT HERE

To: Department of Energy, Free Publications (ESS), P.O. Box 702, London SW20 8SZ.  
**ENERGY SURVEY SCHEME.** Please send me leaflets and a list of consultants.

Name \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 Position \_\_\_\_\_



Department of Energy.

### BUILDING SOCIETY INTEREST RATES

GREENWICH	LONDON GOLDHAWK
(01-218 8212) 281 Greenwich High Road, Greenwich SE18 3PL	(01-986 8321) 15/17 Chiswick High Road, London W4 3AL
Deposits: 5.45% Accounts: 8.10% Term: 9.25% Interest: paid quarterly on shares/term shares. Monthly Income: Shares: 8.10%	Sub-prim: Shares 9.75%, Deposit Rate: 7.75% Accounts: 8.50% Term: Shares 9.50%, 3 yrs: 9.25% 2 yrs: 9.00%, 1 yr: 8.00%, 3 months: notice

### Elson & Robbins

(PVC foam—Spring units—Products for domestic appliance industry—Heating and ventilating products—Partitioning)

**Production, sales and trading profits ahead**

reports Eric R. Keeling, the Chairman.

- Turnover rose 23% to £15.8 million but pre-tax profit was only up 3.3% to £1.8 million (£1.7 million) due to start-up costs at Domestic Industrial Pressings Ltd.
- A final dividend of 2.142p net makes a total of 3.493p for the year—the maximum permitted.
- Elson and Robbins Ltd. increased profits satisfactorily and is searching for growth opportunities.
- Domestic Industrial Pressings Ltd. increased turnover by 47% to £7.6 million and, after the introduction of a new bottled-gas heater, now manufactures a complete range of domestic and industrial heaters. This division has the greatest potential growth within the Group.
- Thomas K. Webster (U.K.) Ltd. has just commenced erection of a new factory and with new product lines coming on-stream, the future looks most promising.
- We are confident that we shall maintain and strengthen our activities, should there be no serious deterioration in the economic climate.

Comparative figures	Year to 2000	Year to 2000	Year to 2000
Turnover	15,839	12,836	9,964
Profit before tax	1,800*	1,743	1,140
Earnings per share	11.49p	12.8p	8.31p
Dividend per share (net)	3.493p	3.129p	2.802p
Net assets per share	111.0p	95.4p	53.1p

\*Before additional pension scheme funding of £139,995.

Copies of the Report and Accounts are available from The Secretary, Elson & Robbins Limited, Portland Mills, Bennett Street, Long Eaton, Nottingham, NG10 4HL.

ne  
 welcomed  
 out of  
 reek  
 object  
 LIAN  
 ASBOM  
 out of  
 reek  
 object  
 is known  
 al Boston  
 ted  
 ited  
 Chicago  
 bank  
 I.A.O.  
 and Bank  
 ited  
 fully paid  
 13,300.167  
 3,473.042  
 17,375.209  
 mixed has  
 ge to the  
 available  
 articles  
 days and  
 2 to 17th  
 Bevan  
 Circus  
 2M TEE.

MacMillan shares rise on hopes for CPI offer

BY ROBERT GIBBENS IN MONTREAL. SHARES of MacMillan Bloedel, Canada's largest forest products company, reopened in the stock market yesterday morning at C\$26, up just over C\$4 from a week ago when trading was halted by the Securities Commission.

Rival bid for Columbia Pictures

BY DAVID LASCELLES IN NEW YORK. COLUMBIA PICTURES was yesterday presented with an offer by General Cinema, a Boston-based entertainment company, to purchase about 20 per cent of its shares.

Two U.S. groups pay Puerto Rican taxes

SAN JUAN—Two U.S.-owned pharmaceutical companies operating in Puerto Rico will start paying taxes to their parent companies as a result of a new industrial tax-exemption programme approved here recently.

A.T. & T. profits for 1978 face Federal scrutiny

WASHINGTON—The U.S. Council on Wage and Price Stability is to take a look at American Telephone and Telegraph Company's profits, which the Federal Communications Commission staff says appear to be unlawfully high.

Dresser's earnings increase

NEW YORK—The major oil, gas and chemicals group, Dresser Industries, had net income of \$66.2m or \$1.70 a share for the fourth quarter ended October 31 compared with \$61.6m or \$1.58 a share.

Currency relaxations could aid Jordan's market role

BY RAMI G. KHOURI IN AMMAN. JORDAN'S first tentative steps to play a greater financial role, signalled in 1978 with the significant reduction of previously stringent foreign exchange controls, may be encouraged again this year with the removal of all remaining currency restrictions and the approval of legislation to establish offshore banking units in Amman.

RESTRICTIVE PRACTICES IN SOUTH AFRICA New set of teeth for monopolies watchdog

BY BERNARD SIMON IN JOHANNESBURG. THE SOUTH AFRICAN Government is currently circulating the final draft of a wide-ranging Parliamentary Bill which it hopes will provide the framework for effective and streamlined machinery to police corporate mergers, acquisitions and restrictive business practices.

The trouble is that organised commerce, industry and mining has serious doubts about whether the proposed new legislation, the Maintenance and Promotion of Competition Bill, will command greater respect than the present one.

\$125m bank loan for Hongkong Land

BY PHILIP BOWRING IN HONG KONG. HONGKONG Land Company has arranged a HK\$600m (\$125m) loan, the largest local currency syndicated bank loan ever arranged in the colony.

Dutch insurance group expects higher growth

During the year the contribution of Nationale's international activities to revenue remained unchanged at 36 per cent. New life business written remained virtually the same at some F17,000m and the total sum insured with the group's life insurance companies rose from F133,500m to F141,000m.

Rise at Yeo Hiap Seng

BY WONG SULONG IN KUALA LUMPUR. YEO HIAP SENG BERHAD, the Malaysian offshoot of the Singapore food and beverages group, continued to show rapid growth with pre-tax profits for the year ended September 30 rising by 62 per cent to 8.8m ringgits.

Continental Airlines

Continental Airlines has no plans to cease operations or sell or lease its fleet if its pending merger with Western Air Lines is disapproved. Reuter reports the company to justify its rates.

Medical International increased net earnings

Medical International increased net earnings from 58 cents to 71 cents; Central Soya Company moved ahead from 67 cents to 71 cents; motor components company Echlin Manufacturing rose from 29 cents to 37 cents.

Norwegian refinery to expand

BY FAY GJETER IN NORWAY. FACILITIES FOR the production of propane and butane are to be added to a west Norwegian oil refinery at a cost of about Nkr 80m (\$16m).

FT INTERNATIONAL BOND SERVICE

Table with columns: U.S. DOLLAR, DEUTSCHE MARK, SWISS FRANC, OTHER STRAIGHTS, CONVERTIBLE BONDS, FLOATING RATE NOTES. Lists various bond issues with details on interest rates, maturities, and yields.

# CURRENCIES, MONEY and GOLD

## Dollar steady in thin trading

The dollar finished at its best level for the day against most currencies, but it was not helped by the strong dollar rally which was still going on in the money market. The dollar was supported by the strong dollar rally which was still going on in the money market. The dollar was supported by the strong dollar rally which was still going on in the money market.

U.S. unit came under some pressure in early trading, although normal conditions had not been resumed after the holiday. Towards the closing, pressure eased somewhat, aided by a little assistance from the authorities. In later trading the U.S. currency improved in fairly active trading to stand at DM 1.8127 towards the close. Its slight improvement gave rise to speculation that the week's decline may have been overdone.

**NEW YORK**—In thin trading the dollar showed a steady trend up to lunchtime with no apparent support from the Federal authorities, although it had received some assistance from foreign exchange markets. The dollar was still seen to be a little weaker as the situation in Iran and efforts to start the EMS. Sterling was quoted at \$2.0415 against \$2.0425 while the D-mark rose slightly to DM 1.8127 from DM 1.8168. The Swiss franc traded at Sfr 1.8000 compared with Sfr 1.8070, and the Japanese yen rose from ¥194.70 to ¥194.0.

**PARIS**—The dollar closed at its best level against the French franc in very thin trading. Towards the close the U.S. unit was quoted at Ffr 4.1325 compared with Ffr 4.135 in the morning and Ffr 4.1700 on Friday. With Swiss markets closed trading was well below normal, although there seemed to be a general reluctance to open new positions ahead of any developments on the EMS. Against the D-mark the franc stood at Ffr 2.2885 compared with Ffr 2.2900.

**MILAN**—The dollar was fixed at L222.05 yesterday, sharply lower than Friday's level of L229.70. Trading was very subdued but the U.S. unit still suffered from uncertainty surrounding the Iranian crisis. With the EMS now postponed, the D-mark improved to L655.4 while the Swiss franc was also firmer, at L490.2.

**AMSTERDAM**—The dollar was fixed at Fl.1925 yesterday, compared with Friday's fixing of Fl.1960. In later trading the U.S. unit recovered slightly to Fl.1975.

Jan. 2	31st rate	Day's Spread	Close	One month % p.a.	Three months % p.a.
U.S. \$	2.0415	0.0005	2.0420	0.88	0.88
Canadian \$	0.7145	0.0005	0.7150	1.88	1.78
Belgian F	268.50	0.0005	268.55	1.00	1.00
French F	4.1325	0.0005	4.1330	1.00	1.00
German DM	1.8127	0.0005	1.8132	1.00	1.00
Japanese ¥	194.00	0.0005	194.05	1.00	1.00
Swiss Sfr	1.8000	0.0005	1.8005	1.00	1.00

Jan. 2	Day's spread	Close	One month % p.a.	Three months % p.a.
Canada	0.0005	0.7145	0.88	0.88
Belgium	0.0005	268.50	1.00	1.00
Denmark	0.0005	5.2000	1.00	1.00
France	0.0005	4.1325	1.00	1.00
Germany	0.0005	1.8127	1.00	1.00
Japan	0.0005	194.00	1.00	1.00
Switzerland	0.0005	1.8000	1.00	1.00

Dec. 28	Special European Drawing Rights Account	Unit of Rights	Jan. 2	Bank of Morgan England	Index changes %
Starling	0.6020	0.6752	0.6020	0.6020	-40.7
U.S. dollar	1.3279	1.2789	1.3279	1.3279	-2.8
Canadian dollar	0.5871	0.5871	0.5871	0.5871	-42.6
Australian dollar	0.7145	0.7145	0.7145	0.7145	+20.4
French franc	2.0415	2.0415	2.0415	2.0415	+15.0
German mark	1.8127	1.8127	1.8127	1.8127	+19.7
Japanese yen	194.00	194.00	194.00	194.00	+41.8
Swiss franc	1.8000	1.8000	1.8000	1.8000	+25.2
Spanish peseta	166.67	166.67	166.67	166.67	+5.1
Portuguese escudo	200.48	200.48	200.48	200.48	+45.5

Jan. 2	£	¢	Note Rates
Argentina Peso	2.040	1.002	261.974
Australia Dollar	1.7715	0.667	684.401
Brazil Cruzeiro	42.00	0.000	10.25
Canada Dollar	0.7145	0.88	2.43
Denmark Krone	5.2000	0.90	3.68
France Franc	4.1325	1.00	1.00
Germany Mark	1.8127	1.00	1.00
Hong Kong Dollar	7.8000	0.90	1.00
India Rupee	13.25	0.000	1.00
Italy Lira	1.936	0.000	1.00
Japan Yen	194.00	0.000	1.00
Netherlands Guilder	2.2037	0.36	1.00
Norway Krone	4.75	0.13	1.00
Spain Peseta	166.67	0.000	1.00
Sweden Krona	1.32	0.13	1.00
Switzerland Franc	1.8000	0.13	1.00
U.S. Dollar	1.00	1.00	1.00
U.K. Pound	1.00	1.00	1.00

**CHANGE CROSS RATES**

Jan. 2	£	¢	U.S. Dollar	Canadian Dollar	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
per term	1.00	100	1.00	0.71	100	4.13	1.80	2.20	1.93	0.71	0.67
100	1.00	100	1.00	0.71	100	4.13	1.80	2.20	1.93	0.71	0.67
100	1.00	100	1.00	0.71	100	4.13	1.80	2.20	1.93	0.71	0.67

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**PRO-CURRENCY INTEREST RATES**

Jan. 2	Starling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Aalan \$	Japanese Yen
per term	11 1/2	10 1/2	7 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
100	11 1/2	10 1/2	7 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
100	11 1/2	10 1/2	7 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

**INTERNATIONAL MONEY MARKET**

European interest rates showed very little change yesterday, though money showed a slightly steeper tendency in Frankfurt. The three-month rate rose to 9.57 per cent from 9.55 per cent at the auction while one year bills moved to 9.78 per cent against 9.8 per cent. Federal funds were quoted at 11 1/2 per cent, unchanged from earlier in the day. The Federal authorities added reserves to the system, with funds at 11 1/2 per cent and in later trading made a second round of overnight repurchase agreements in Fed funds at 12 per cent.

**LONDON**—Call money fell from Friday's high level of 7.0 per cent to 3.45-3.55 per cent. One-month money eased to 3.71 per cent, from 4.0-4.15 per cent as did the three-month rate. Six-month money was quoted at 3.9-4.0 per cent against 4.1-4.2 per cent previously, while the 12-month rate fell to 4.15-4.2 per cent compared with 4.2-4.25 per cent.

**PARIS**—Day to day money was unchanged at 6 1/2 per cent with one-month money at 6 1/2 per cent and three-month money at 6 1/2 per cent. Both the six and 12-month rates were also unchanged at 6 1/2 per cent and 7 1/2 per cent. In line with the recent easier trend in rates, charges on consumer instalment buying were cut yesterday from 12 1/2 per cent to 12 per cent.

**AMSTERDAM**—Interbank money rates showed very little change, though with call money and one-month money both at 10 1/2 per cent, unchanged from yesterday. Three-month money eased to 10 1/2 per cent from 10 1/2 per cent, while the 12-month rate was quoted at 11 1/2 per cent.

## BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of

### Petroleum Equipment Tools Co.

Common Stock

700,000 Shares

Smith Barney, Harris Upham & Co.      Rotan Mosie Inc.

Bach Halsey Smart Shields      The First Boston Corporation      Blyth Eastman Dillon & Co.

Drexel Burnham Lambert      Goldman, Sachs & Co.      E.F. Hutton & Company Inc.

Kidder, Peabody & Co.      Lazard Freres & Co.      Loeb Rhoades, Hornblower & Co.

Paine, Webber, Jackson & Curtis      Wertheim & Co., Inc.      Bear, Stearns & Co.

L.F. Rothschild, Uotenberg, Towbin      Shearson Hayden Stone Inc.      Underwood, Newmans & Co.

01-248 3001, Extn. 266

# A FINANCIAL TIMES SURVEY

## ARAB CONSTRUCTION

### JANUARY 22 1979

The Financial Times proposes to publish a Survey on Arab Construction. The provisional synopsis is set out below.

**INTRODUCTION** The surge of new constructive activity has peaked in the Gulf States but activity is still proceeding at a high level. In Saudi Arabia some of the biggest contracts in the history of construction remain to be let. There is large-scale construction activity too in the less rich Arab States. Breaking of infrastructure bottlenecks allows construction work to proceed more freely.

**INTERNATIONAL COMPETITION** Faced with domestic recession many international contractors have attempted to increase their participation in the Arab world. The result is that at a time when construction expenditure is peaking or has dipped in several centres competition for civil engineering work is intense and margins are slim.

**UK CONTRIBUTION** Still among the leading operators in the Arab contracting world, UK companies continue to attract large volumes of construction work.

**GUARANTEES AND GOVERNMENT SUPPORT** The problems of obtaining financial backing for some of the very large contracts now on offer in Saudi Arabia and elsewhere. The roles of governments is giving support to their construction companies to win contracts in the Arab world.

**CONTRACT TERMS AND CONDITIONS** The tough terms imposed by Arab countries for construction work; fixed price contracts and escalation clauses; legal problems.

**MANPOWER** The market for skilled and unskilled labour has shrunk. Saudi Arabia is cutting down on the number of foreign workers and States like Bahrain are concerned at the large numbers of dependants who accompany immigrant workers.

**CONSTRUCTION MATERIALS** The export potential for materials into the Middle East is still very high, though the market for basic materials, is diminishing as nations begin to bring domestic capacity onstream.

**CONSULTANTS AND ARCHITECTS** Consultancy services in the Middle East, where the UK plays a predominant part, offer a very wide range of professional expertise. UK firms alone are handling £25bn worth of contracts.

Other articles will look at the local construction industry, projects completed, underway or in the pipeline, and the special problems of construction in the following countries:—

- Saudi Arabia
- United Arab Emirates
- Qatar
- Bahrain
- Oman
- Kuwait
- Iraq
- Syria
- Jordan
- Egypt
- Sudan
- Libya
- Algeria
- North Yemen
- Morocco

For further details of advertising rates please contact:  
Laurette L. Lecomte-Peacock, Financial Times  
Bracken House, 10, Cannon Street, London EC4P 4BY. Tel: 01-248 8000 Ext. 515

## FINANCIAL TIMES

### EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

### BASE LENDING RATES

A.B.N. Bank	12 1/2%	Hambros Bank	12 1/2%
Allied Irish Banks Ltd.	12 1/2%	Hill Samuel	12 1/2%
Amro Bank	12 1/2%	Julian S. Hodge	12 1/2%
American Express Bk.	12 1/2%	C. Hoare & Co.	12 1/2%
A.P. Bank Ltd.	12 1/2%	Hongkong & Shanghai	12 1/2%
Banque du Rhone et de la Tamise S.A.	12 1/2%	Industrial Bk. of Scot.	12 1/2%
Banco de Bilbao	12 1/2%	Keyser Ullmann	12 1/2%
Bank of Credit & Commerce	12 1/2%	Kowlesley & Co. Ltd.	12 1/2%
Bank of N.S.W.	12 1/2%	Lloyds Bank	12 1/2%
Bank of Cyprus	12 1/2%	London Mercantile	12 1/2%
Banque Belge Ltd.	12 1/2%	Edward Manson & Co.	12 1/2%
Banque de l'Inde	12 1/2%	Midland Bank	12 1/2%
Banque de l'Inde et de la Chine	12 1/2%	Samuel Montagu	12 1/2%
Banque de l'Inde et de la Chine	12 1/2%	Morgan Grenfell	12 1/2%
Barclays Bank	12 1/2%	National Westminster	12 1/2%
Barnett Christie Ltd.	12 1/2%	Norwich General Trust	12 1/2%
Bremar Holdings Ltd.	12 1/2%	P. S. Refson & Co.	12 1/2%
Brit. Bank of Mid. East	12 1/2%	Rossminster	12 1/2%
Brown Shipley	12 1/2%	Royal Bk. Canada Trust	12 1/2%
Canada Perm't Trust	12 1/2%	Schlesinger Limited	12 1/2%
Cayzer Ltd.	12 1/2%	E. S. Schwab	12 1/2%
Charterhouse	12 1/2%	Security Trust Co. Ltd.	12 1/2%
Choulatons	12 1/2%	Stanford Chartered	12 1/2%
C. E. Coates	12 1/2%	Trade Dev. Bank	12 1/2%
Consolidated Credits	12 1/2%	Trustee Savings Bank	12 1/2%
Co-operative Bank	12 1/2%	Twentieth Century Bk.	12 1/2%
Corinthian Securities	12 1/2%	United Bank of Kuwait	12

WORLD STOCK MARKETS

Companies and Markets

Early Dow 3.2 loss on investor caution

INVESTMENT DOLLAR PREMIUM \$2.60 to \$1-82 1/2 (81 1/2%) Effective \$2.050 42 1/2 (42 1/2%) AN EASIER tone prevailed on Wall Street in slack early trading yesterday.

Parma slipped \$1 to \$111, Georgia-Pacific \$1 to \$24, Warrick-Lambert \$1 to \$23 1/2, Texaco \$1 to \$23 1/2, Exxon \$1 to \$24 and Zenith Radio \$1 to \$12 1/2.

Canada Shares displayed a bias to higher levels in moderate dealings yesterday morning. The Toronto Composite Index advanced 0.6 to 1,310.6 at noon.

gained ground yesterday. The Commerzbank index improved 5.0 to 822.2. However, giving an added boost to share prices were expectations that the five-weekers' strike was near to ending.

Australia The Melbourne stock market remained closed yesterday, but the Sydney SE had a buoyant trading session in fairly light volume, with a shortage of stock exaggerating price movements in some instances.

Closing prices and market reports were not available for this edition.

only a small margin. Turnover amounted to 11.13m shares, well below last Friday's 1pm figure of 18.27m.

Investors had taken to the sidelines to await developments in Iran, but were also showing further concern about rising interest rates.

Paris Share prices mainly declined in quiet trading conditions, with no special factors affecting the market. The Bourze Industrielle index reacted 1.1 to 78.0.

Milan Light selling in the absence of support left widespread losses yesterday. Operators were cautious due to the tense situation in Iran, delays in formulating a Government three-year plan for the economy.

NEW YORK

Table of stock prices for New York market, including columns for Stock, Dec 29, Dec 28, and Dec 27.

Stock

Table of stock prices for various international markets, including columns for Stock, Dec 29, Dec 28, and Dec 27.

Stock

Table of stock prices for various international markets, including columns for Stock, Dec 29, Dec 28, and Dec 27.

Stock

Table of stock prices for various international markets, including columns for Stock, Dec 29, Dec 28, and Dec 27.

Stock

Table of stock prices for various international markets, including columns for Stock, Dec 29, Dec 28, and Dec 27.

Indices

Table of stock indices for New York, including columns for Dec 29, Dec 28, Dec 27, and High/Low.

Day's high 512.50 low 508.50

STANDARD AND POORS

Table of Standard and Poors indices, including columns for Dec 29, Dec 28, Dec 27, and High/Low.

N.Y.S.E. ALL COMMON

Table of NYSE All Common indices, including columns for Dec 29, Dec 28, Dec 27, and High/Low.

MONTEAL

Table of Montreal stock indices, including columns for Dec 29, Dec 28, Dec 27, and High/Low.

TORONTO Composite

Table of Toronto Composite stock indices, including columns for Dec 29, Dec 28, Dec 27, and High/Low.

JOHANNESBURG

Table of Johannesburg stock indices, including columns for Dec 29, Dec 28, Dec 27, and High/Low.

FRIDAY'S ACTIVE STOCKS

Table of Friday's active stocks, including columns for Stock, Price, and Change.

AUSTRALIA

Table of Australian stock indices, including columns for Jan 2, Price, and Change.

OSLO

Table of Oslo stock indices, including columns for Jan 2, Price, and Change.

JOHANNESBURG

Table of Johannesburg stock indices, including columns for Jan 2, Price, and Change.

INDUSTRIALS

Table of industrial stock indices, including columns for Jan 2, Price, and Change.

PARIS

Table of Paris stock indices, including columns for Jan 2, Price, and Change.

SWITZERLAND

Table of Swiss stock indices, including columns for Dec 28, Price, and Change.

AMSTERDAM

Table of Amsterdam stock indices, including columns for Jan 2, Price, and Change.

COPENHAGEN

Table of Copenhagen stock indices, including columns for Jan 2, Price, and Change.

MILAN

Table of Milan stock indices, including columns for Jan 2, Price, and Change.

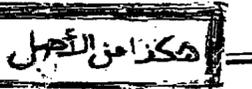
VIENNA

Table of Vienna stock indices, including columns for Jan 2, Price, and Change.

Advertisement for 'The Banker' magazine, featuring the headline 'You don't have to be a banker to benefit from reading The Banker' and a description of the publication's content.

Advertisement for 'The Banker' magazine, featuring the headline 'You don't have to be a banker to benefit from reading The Banker' and a description of the publication's content.





Plea to lift Indian tea export curb

By Our Own Correspondent
CALCUTTA - The Indian tea industry has been urging the Government to lift the export curbs...

Snow-bound dairy farms face heavy milk losses

By Christopher Parkes
SNOW DRIFTS blocking country roads are preventing milk collection tankers from reaching remote dairy farms...

Cash lead surges to new high

By John Edwards, Commodities Editor
LEAD PRICES surged upwards again on the London Metal Exchange yesterday as the squeeze on supplies tightened...

NZ WOOL INDUSTRY Price slide ends as demand picks up

By Dai Hayward in Wellington
NEW ZEALAND wool producers and traders are confident the slide in wool prices in October and early November has been halted...

Merchants to study Pakistan cotton scheme

A DELEGATION of the Association of Cotton Merchants in Europe will visit Pakistan later this week for talks with Government officials...

Ertl 'no' to farm price freeze

By Christopher Parkes
A FREEZE on European Community farm prices, planned by the EEC Commission for the new season's prices and enthusiastically supported by the British Government...

THAILAND CURBS TOPICOA EXPORTS

BANGKOK - The Thai Government has imposed controls on the export of Tapioca products, a royal decree announced yesterday...

U.S. raises meat import quotas

WASHINGTON - President Carter has decided to increase meat imports by 5.2 per cent in 1979 to limit a predicted sharp rise in domestic beef prices...

Kenyan sugar project

A large new sugar project costing about \$50m is being established in Kenya's South Nyanza province near Lake Victoria...

SOYABEAN MEAL

Table with columns for Soyabean Meal prices, including Soyabean Meal, Soyabean Meal (20%), Soyabean Meal (30%), etc.

Cut forecast in S. African maize crop

JOHANNESBURG - Maize producers in South Africa are predicting that the 1979 crop will be reduced by between 2m and 3m tonnes because of drought conditions in the principal growing areas...

COMMODITY MARKET REPORTS AND PRICES

Table of commodity market reports and prices for various metals and minerals.

BASE METALS

Table of base metal prices including Copper, Lead, Zinc, Tin, and Nickel.

COFFEE

Table of coffee prices for various grades and origins.

PRICE CHANGES

Table of price changes for various commodities.

IG Index Limited 01-351 3466

29 Lamont Road, London SW10 0HS. 1. Tax-free trading on commodity futures. 2. The commodity futures market for the smaller investor.

Commodities in '79: BOOM or BUST?

Looking for more success in your commodity trading this year? Are you getting the quality of advice you'll need? Whatever happens to the markets in '79, one thing is sure: the success that commodity traders achieve will largely depend on the market intelligence they get from their brokers...

C.C.S.I. Commodities Ltd. Walsingham House, 35 Seething Lane, London EC3N 4AH.

GRAINS

Table of grain prices including Wheat, Barley, and Oats.

WHEAT

Table of wheat prices for various grades.

AMERICAN MARKETS

Table of American market prices for various commodities.

BOND DRAWING

CONNECTION DRAWING OF BONDS. UNGUAFY & CO. CONSOLIDATED. Bond of £100 each.

SILVER

Table of silver prices.

WOOL FUTURES

Table of wool futures prices.

INDICES

Table of various indices.

LONDON COMMODITY CHARTS

Table of London commodity charts for various commodities.

COCOA

Table of cocoa prices.

RUBBER

Table of rubber prices.

REUTERS

Table of Reuters commodity prices.

PERSONAL

ART ENTHUSIAST must sell his entire collection of French Impressionists at a fraction of their real value. These unique oil paintings are by one of the world's top art forgers. "Signed." Tel: 01-485 4928

COFFEE

Table of coffee prices.

MEAT/VEGETABLES

Table of meat and vegetable prices.

RECORD CZECH GRAIN CROP

PRAGUE - Czechoslovakia had the biggest grain harvest in its history last year, nearly 11m tonnes, President Gustav Husak said in a New Year message to the nation.

MOODY'S

Table of Moody's credit ratings.

EUROPEAN MARKETS

Table of European market prices.

ZAIRE METALS MONOPOLY URGED

KINSHASA - The Zairean Parliament urged the Government to make Sozocom, the country's metals marketing agency, the only company responsible for producing and marketing Zaire's minerals.

RECORD CZECH GRAIN CROP

PRAGUE - Czechoslovakia had the biggest grain harvest in its history last year, nearly 11m tonnes, President Gustav Husak said in a New Year message to the nation.

EUROPEAN MARKETS

Table of European market prices.

LONDON STOCK EXCHANGE

New Year Press tips assist slow advance in equities but overall business remains at disappointing level

Account Dealing Dates

First Declared Last Account Dealings Date Dealings Day Dec. 11 Dec. 28 Dec. 29 Jan. 9 Jan. 2 Jan. 11 Jan. 13 Jan. 23 Jan. 15 Jan. 25 Jan. 26 Feb. 6

The New Year began in stock markets yesterday in much the same fashion as the old year departed with investors pre-occupied with the political situation in Iran and the effect it is having on domestic oil supplies—British Petroleum confirmed yesterday that crude oil deliveries to customers will be cut by 30 to 35 per cent during the first three months of the year.

With other current background influences favourable, including the still unresolved tanker drivers' dispute and its threat to oil supplies together with the obscure outlook regarding pay in general, the volume of business in stock markets remained extremely light. Early attendance was affected by the bad weather and the consequent travel difficulties but even after numbers had later improved the overall market scene showed little interest in having emerged with firm features generally limited to stocks which figured as New Year investment recommendations.

The usual spate of activity usually associated with New Year tips failed to materialise but the resulting minor rises gave the equity market a firm undertone and subsequently encouraged a small advance in selected leading issues. Becham, for example, stood out with a rise of 10 to 63 1/2p, but British Petroleum stayed out of favour by moving in the opposite direction to close down at 89 1/2p.

After moving between extremes of 82 1/2 and 81 per cent, the investment currency premium closed 1 higher at 82 1/2 per cent with the firmer tendency at the close due mainly to the late strengthening of the dollar. Yesterday's SE conversion factor was 0.6997 (0.7004).

Interest in the Traded Options market remained at a low ebb. Only 241 contracts were completed and over 50 per cent of those were dealt in two stocks, Marks and Spencer, 84, and Consolidated Gold Fields, 43.

The major clearing banks made progress in response to Press comment. A modest demand helped Lloyds to close 7 to the good at 387p and prompted improvements of 5 in Barclays, 365p, Midland, 355p, and NatWest, 255p. Bank of Scotland appreciated 5 to 350p. Elsewhere, UPT were notable for a rise of 3 to 44p.

Insurances recorded small gains after a thin trade. Provident Life A closed at 138p, up 6, ex the 10 per cent scrip issue and following the enfranchisement of the B shares. Brewery issues ended an idle day narrowly mixed. Buildings for the most part held close to overnight levels in a thin trade. Timber issues tended to master with International 3 cheaper at 119p and Bambergs 1 1/2 off at 74 1/2p.

Elsewhere, Johnson-Richards Tiles attracted a little support and firmed 4 to 109p, while Marley, 73p, and Bryant, 50p, held Press-inspired gains of a penny or so. Redland added 2 to 164p, as did Royce, at 38p, but Magnet and Southern eased that much to 132p. James Latham moved up 3 to 138p 1/2 and, in the leaders, Blue Circle displayed the only movement of note at 272 1/2p.

Trade in the Chemical leaders remained at a low ebb with ICI unmoved on the day at 363p and Fisons a shade harder at 303p. Alginat, subject of an agreed 385p per share cash bid from Merck Incorporated, moved up 1 1/2 to 370p, and a little interest was shown in Carless, which hardened a penny to 29p.

Levin, opening at 21p compared with the suspension price of 25p, the shares quickly advanced to close at 28p. Bambergs ended 3 higher at 108p ex the scrip issue, while improvements of around 4 were seen in Empire, 163p, Freemans, 122p, and John Memzys, 173p. Among Jobs, Headlam Sims and Coggins found support at 52p, up 4.

Noteworthy movements in the Electrical sector were mainly in response to New Year Press tips. George H. Stables moved up 7 to 319p for this reason as did Bellon, 2 higher at 16p, and Highland Electronic, 5 to the good at 51p. Fresh scattered buying interest was shown in Sound Diffusion which hardened 1 to 66p. Leading issues edged a little higher in extremely quiet trading. GEC improved 3 to 323p and Plessey hardened a few pence to 108p.

Miscellaneous Industrial leaders got the New Year off to a slow but firm start. Interest was minimal but a modest investment demand helped Becham to secure a rise of 10 at 63 1/2p. A dull market recently following publicity given to a bearish broker's circular, Glaxo picked up 2 to 510p, while similar improvements were seen in Boots, 137p, and Unilever, 334p.

Elsewhere, small interest was shown in those stocks which figured in the traditional list of investment recommendations for the New Year. Speculative support helped to lift Gieves a couple of pence to 99p and Extel advanced 2 more to 136p on further consideration of the increased state recently taken in the group by Bactel Electronics. British Vils put on 4 to 120p as did Parker Knoll A to 95p.

The Leisure sector attracted a little more interest than most with further publicity given to increased demand for foreign holiday bookings prompting a gain of 7 1/2 more to 134 1/2p in Horizon Midlands and a rise of 5 further to 192p in Saga Holidays. Mirroring Newspaper comment, Barr and Wallace Arnold Trust A firmed 3 to 110p. Motors tended quietly on a little scrappy buying. Lotus responded to a Press recommendation by closing a penny harder at 50p after 51p. Anglo Distributors, Arlington, 106p, and BSG, 38 1/2p, both added around 2, while Menlys at 125p, and Lex Service, 79 1/2p, put on 1 apiece.

Leading Properties usually displayed modest improvements, but turnover left a lot to be desired. English Property, subject to a recent bid approach from the Dutch group Wereld, have hardened 2 to 35p, and British Land, following a Press mention, added a penny to 46p.

Although business in the Engineering leaders was barely sufficient to test prices, the trend was to slightly higher levels. Assisted by Press mention, Tubes hardened 2 to 37 1/2p, while rises of a like amount were recorded in Vickers, 19 1/2p, and John Brown, 36 1/2p. Elsewhere, dealings resumed in Anglo-Swiss at 60p compared with the suspension price of 59p following news of the agreed bid from Armstrong Equipment, a penny dearer at 86p. Week-end Press mention stimulated a little interest in Glenwed which put on 3 to 102p, while others to improve for a similar reason included Westland, 2 1/2 higher at 83 1/2p, and Delta Metal, 1 1/2 to the good at 68p. Buying interest revived in Edgar Allan Balfour, up 4 at 59p, but scattered offers led Howard Machinery 2 lower at 30p. R. W. Ward improved 2 to 79p awaiting today's preliminary results.

In quietly mixed Foods, Cadbury Schweppes eased a penny to 53p, but Tate and Lyle added a couple of pence to 186p following Press comment. Takeover favourites Avana and Fitch Lovell put on 2 apiece to 79p and 59p respectively. Carr's Milling, a good market since the announcement of the annual results, added another 3 to 72p, while Bernard Matthews found a little support and rose a similar amount to 174p and Louise C. Edwards held a Press-inspired gain of 2 at 71p. Yague takeover rumours linked to a Midlands hotel and Caterers tended firm. (Vintia) another 5 to 265p. Hotels and Caterers tended firm.

MEPC firmed 1 1/2 to 147p and Stock Conversion 2 to 285p. In secondary issues, Bellway found fresh support and improved 2 1/2 to 77p and, in a thin market, Harley Industrial Trust added 1 1/2 to 381p. By contrast, occasional offerings left Bradford and United Real 5 occasional offerings left

There was a placid start to the year's trading in mining markets. Activity was at a low ebb and features were sparse. De Beers remained strong, however, in front of the Central Selling Organisation 1978 world diamond sales total expected in the second week of the month. After being firm in New York last Friday there was a follow through from Johannesburg, yesterday morning and the price closed 7 higher at 388p.

Johannesburg buying also held Anglo American very steady, among the dollar premium Financials, and the shares hardened 1 to 303p. But London Financials were very quiet with only Consolidated Gold Fields attracting any attention; encouraged by the early steadiness of the bullion price, the close was a shade harder at 159p. The bullion price eventually closed \$1.0 lower at \$225.375 an ounce.

South African Golds ignored the bullion price movements. Trading was exceptionally light and prices were mixed. But the close was a shade harder at 138p, reflecting both the reduction in prices as shares went ex-dividend and also the lower trend in the investment dollar premium. The ex-premium index was 2.5 down at 95.8.

The undertone of Australians remained firm, but business was slack. Prices reflected the trend in the overnight Sydney market but remained untested. Conzinc Riotinto drew strength from its leadership of the Ashton diamond venture with a rise of 4 to 600p. Among the small diamond stocks Haoma were 2 higher at 34p and North West Mining were 3 firmer at 29p.

The interest in diamonds spread to Tanks, which has an Ashton holding, and the shares rose 2 to 180p. There was also a small business in Consolidated Murchison which moved up 5 to 175p.

The chairman's statement that the dividend outlook was more encouraging led to Messina being marked up 3 to 59p in otherwise quiet Coppers. Rhodesians and Tins were also quiet.

Small buying was the order of the day in Tobaccos and Imps hardened a penny to 85p.

Small buying was the order of the day in Tobaccos and Imps hardened a penny to 85p.

FINANCIAL TIMES STOCK INDICES

Table with columns for Jan 29, Dec 28, Dec 27, Dec 26, Dec 25, Dec 24, Dec 23, Dec 22, Dec 21, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, 1978. Rows include Government Secs, Fixed Interest, Industrial, Gold Mines, Gold Mines (Ex-S pm), Ord. Div. Yield, Earnings, Yld % (ft), P/E Ratio (ft), Dealings marked, Equity turnover £m, Equity bargains total.

10 am 428.8, 11 am 470.8, Noon 471.3, 1 pm 472.2, 2 pm 472.2, 3 pm 472.3, Latest Index 07:23:02.8

Based 100 Govt. Secs. 15/10/78. Fixed Int. 1928. Industrial Ord. 17/75. Gold Mines 12/9/55. Ex. pm. index started June 1972. 1 Gold Mines Cum. Div. 140.8. SE Activity July-Dec 1942.

Table with columns for 1978/9, 1977/8, 1976/7, 1975/6, 1974/5, 1973/4, 1972/3, 1971/2, 1970/1, 1969/0, 1968/9, 1967/8, 1966/7, 1965/6, 1964/5, 1963/4, 1962/3, 1961/2, 1960/1, 1959/0, 1958/9, 1957/8, 1956/7, 1955/6, 1954/5, 1953/4, 1952/3, 1951/2, 1950/1, 1949/0, 1948/9, 1947/8, 1946/7, 1945/6, 1944/5, 1943/4, 1942/3, 1941/2, 1940/1, 1939/0, 1938/9, 1937/8, 1936/7, 1935/6, 1934/5, 1933/4, 1932/3, 1931/2, 1930/1, 1929/0, 1928/9, 1927/8, 1926/7, 1925/6, 1924/5, 1923/4, 1922/3, 1921/2, 1920/1, 1919/0, 1918/9, 1917/8, 1916/7, 1915/6, 1914/5, 1913/4, 1912/3, 1911/2, 1910/1, 1909/0, 1908/9, 1907/8, 1906/7, 1905/6, 1904/5, 1903/4, 1902/3, 1901/2, 1900/1, 1899/0, 1898/9, 1897/8, 1896/7, 1895/6, 1894/5, 1893/4, 1892/3, 1891/2, 1890/1, 1889/0, 1888/9, 1887/8, 1886/7, 1885/6, 1884/5, 1883/4, 1882/3, 1881/2, 1880/1, 1879/0, 1878/9, 1877/8, 1876/7, 1875/6, 1874/5, 1873/4, 1872/3, 1871/2, 1870/1, 1869/0, 1868/9, 1867/8, 1866/7, 1865/6, 1864/5, 1863/4, 1862/3, 1861/2, 1860/1, 1859/0, 1858/9, 1857/8, 1856/7, 1855/6, 1854/5, 1853/4, 1852/3, 1851/2, 1850/1, 1849/0, 1848/9, 1847/8, 1846/7, 1845/6, 1844/5, 1843/4, 1842/3, 1841/2, 1840/1, 1839/0, 1838/9, 1837/8, 1836/7, 1835/6, 1834/5, 1833/4, 1832/3, 1831/2, 1830/1, 1829/0, 1828/9, 1827/8, 1826/7, 1825/6, 1824/5, 1823/4, 1822/3, 1821/2, 1820/1, 1819/0, 1818/9, 1817/8, 1816/7, 1815/6, 1814/5, 1813/4, 1812/3, 1811/2, 1810/1, 1809/0, 1808/9, 1807/8, 1806/7, 1805/6, 1804/5, 1803/4, 1802/3, 1801/2, 1800/1, 1799/0, 1798/9, 1797/8, 1796/7, 1795/6, 1794/5, 1793/4, 1792/3, 1791/2, 1790/1, 1789/0, 1788/9, 1787/8, 1786/7, 1785/6, 1784/5, 1783/4, 1782/3, 1781/2, 1780/1, 1779/0, 1778/9, 1777/8, 1776/7, 1775/6, 1774/5, 1773/4, 1772/3, 1771/2, 1770/1, 1769/0, 1768/9, 1767/8, 1766/7, 1765/6, 1764/5, 1763/4, 1762/3, 1761/2, 1760/1, 1759/0, 1758/9, 1757/8, 1756/7, 1755/6, 1754/5, 1753/4, 1752/3, 1751/2, 1750/1, 1749/0, 1748/9, 1747/8, 1746/7, 1745/6, 1744/5, 1743/4, 1742/3, 1741/2, 1740/1, 1739/0, 1738/9, 1737/8, 1736/7, 1735/6, 1734/5, 1733/4, 1732/3, 1731/2, 1730/1, 1729/0, 1728/9, 1727/8, 1726/7, 1725/6, 1724/5, 1723/4, 1722/3, 1721/2, 1720/1, 1719/0, 1718/9, 1717/8, 1716/7, 1715/6, 1714/5, 1713/4, 1712/3, 1711/2, 1710/1, 1709/0, 1708/9, 1707/8, 1706/7, 1705/6, 1704/5, 1703/4, 1702/3, 1701/2, 1700/1, 1699/0, 1698/9, 1697/8, 1696/7, 1695/6, 1694/5, 1693/4, 1692/3, 1691/2, 1690/1, 1689/0, 1688/9, 1687/8, 1686/7, 1685/6, 1684/5, 1683/4, 1682/3, 1681/2, 1680/1, 1679/0, 1678/9, 1677/8, 1676/7, 1675/6, 1674/5, 1673/4, 1672/3, 1671/2, 1670/1, 1669/0, 1668/9, 1667/8, 1666/7, 1665/6, 1664/5, 1663/4, 1662/3, 1661/2, 1660/1, 1659/0, 1658/9, 1657/8, 1656/7, 1655/6, 1654/5, 1653/4, 1652/3, 1651/2, 1650/1, 1649/0, 1648/9, 1647/8, 1646/7, 1645/6, 1644/5, 1643/4, 1642/3, 1641/2, 1640/1, 1639/0, 1638/9, 1637/8, 1636/7, 1635/6, 1634/5, 1633/4, 1632/3, 1631/2, 1630/1, 1629/0, 1628/9, 1627/8, 1626/7, 1625/6, 1624/5, 1623/4, 1622/3, 1621/2, 1620/1, 1619/0, 1618/9, 1617/8, 1616/7, 1615/6, 1614/5, 1613/4, 1612/3, 1611/2, 1610/1, 1609/0, 1608/9, 1607/8, 1606/7, 1605/6, 1604/5, 1603/4, 1602/3, 1601/2, 1600/1, 1599/0, 1598/9, 1597/8, 1596/7, 1595/6, 1594/5, 1593/4, 1592/3, 1591/2, 1590/1, 1589/0, 1588/9, 1587/8, 1586/7, 1585/6, 1584/5, 1583/4, 1582/3, 1581/2, 1580/1, 1579/0, 1578/9, 1577/8, 1576/7, 1575/6, 1574/5, 1573/4, 1572/3, 1571/2, 1570/1, 1569/0, 1568/9, 1567/8, 1566/7, 1565/6, 1564/5, 1563/4, 1562/3, 1561/2, 1560/1, 1559/0, 1558/9, 1557/8, 1556/7, 1555/6, 1554/5, 1553/4, 1552/3, 1551/2, 1550/1, 1549/0, 1548/9, 1547/8, 1546/7, 1545/6, 1544/5, 1543/4, 1542/3, 1541/2, 1540/1, 1539/0, 1538/9, 1537/8, 1536/7, 1535/6, 1534/5, 1533/4, 1532/3, 1531/2, 1530/1, 1529/0, 1528/9, 1527/8, 1526/7, 1525/6, 1524/5, 1523/4, 1522/3, 1521/2, 1520/1, 1519/0, 1518/9, 1517/8, 1516/7, 1515/6, 1514/5, 1513/4, 1512/3, 1511/2, 1510/1, 1509/0, 1508/9, 1507/8, 1506/7, 1505/6, 1504/5, 1503/4, 1502/3, 1501/2, 1500/1, 1499/0, 1498/9, 1497/8, 1496/7, 1495/6, 1494/5, 1493/4, 1492/3, 1491/2, 1490/1, 1489/0, 1488/9, 1487/8, 1486/7, 1485/6, 1484/5, 1483/4, 1482/3, 1481/2, 1480/1, 1479/0, 1478/9, 1477/8, 1476/7, 1475/6, 1474/5, 1473/4, 1472/3, 1471/2, 1470/1, 1469/0, 1468/9, 1467/8, 1466/7, 1465/6, 1464/5, 1463/4, 1462/3, 1461/2, 1460/1, 1459/0, 1458/9, 1457/8, 1456/7, 1455/6, 1454/5, 1453/4, 1452/3, 1451/2, 1450/1, 1449/0, 1448/9, 1447/8, 1446/7, 1445/6, 1444/5, 1443/4, 1442/3, 1441/2, 1440/1, 1439/0, 1438/9, 1437/8, 1436/7, 1435/6, 1434/5, 1433/4, 1432/3, 1431/2, 1430/1, 1429/0, 1428/9, 1427/8, 1426/7, 1425/6, 1424/5, 1423/4, 1422/3, 1421/2, 1420/1, 1419/0, 1418/9, 1417/8, 1416/7, 1415/6, 1414/5, 1413/4, 1412/3, 1411/2, 1410/1, 1409/0, 1408/9, 1407/8, 1406/7, 1405/6, 1404/5, 1403/4, 1402/3, 1401/2, 1400/1, 1399/0, 1398/9, 1397/8, 1396/7, 1395/6, 1394/5, 1393/4, 1392/3, 1391/2, 1390/1, 1389/0, 1388/9, 1387/8, 1386/7, 1385/6, 1384/5, 1383/4, 1382/3, 1381/2, 1380/1, 1379/0, 1378/9, 1377/8, 1376/7, 1375/6, 1374/5, 1373/4, 1372/3, 1371/2, 1370/1, 1369/0, 1368/9, 1367/8, 1366/7, 1365/6, 1364/5, 1363/4, 1362/3, 1361/2, 1360/1, 1359/0, 1358/9, 1357/8, 1356/7, 1355/6, 1354/5, 1353/4, 1352/3, 1351/2, 1350/1, 1349/0, 1348/9, 1347/8, 1346/7, 1345/6, 1344/5, 1343/4, 1342/3, 1341/2, 1340/1, 1339/0, 1338/9, 1337/8, 1336/7, 1335/6, 1334/5, 1333/4, 1332/3, 1331/2, 1330/1, 1329/0, 1328/9, 1327/8, 1326/7, 1325/6, 1324/5, 1323/4, 1322/3, 1321/2, 1320/1, 1319/0, 1318/9, 1317/8, 1316/7, 1315/6, 1314/5, 1313/4, 1312/3, 1311/2, 1310/1, 1309/0, 1308/9, 1307/8, 1306/7, 1305/6, 1304/5, 1303/4, 1302/3, 1301/2, 1300/1, 1299/0, 1298/9, 1297/8, 1296/7, 1295/6, 1294/5, 1293/4, 1292/3, 1291/2, 1290/1, 1289/0, 1288/9, 1287/8, 1286/7, 1285/6, 1284/5, 1283/4, 1282/3, 1281/2, 1280/1, 1279/0, 1278/9, 1277/8, 1276/7, 1275/6, 1274/5, 1273/4, 1272/3, 1271/2, 1270/1, 1269/0, 1268/9, 1267/8, 1266/7, 1265/6, 1264/5, 1263/4, 1262/3, 1261/2, 1260/1, 1259/0, 1258/9, 1257/8, 1256/7, 1255/6, 1254/5, 1253/4, 1252/3, 1251/2, 1250/1, 1249/0, 1248/9, 1247/8, 1246/7, 1245/6, 1244/5, 1243/4, 1242/3, 1241/2, 1240/1, 1239/0, 1238/9, 1237/8, 1236/7, 1235/6, 1234/5, 1233/4, 1232/3, 1231/2, 1230/1, 1229/0, 1228/9, 1227/8, 1226/7, 1225/6, 1224/5, 1223/4, 1222/3, 1221/2, 1220/1, 1219/0, 1218/9, 1217/8, 1216/7, 1215/6, 1214/5, 1213/4, 1212/3, 1211/2, 1210/1, 1209/0, 1208/9, 1207/8, 1206/7, 1205/6, 1204/5, 1203/4, 1202/3, 1201/2, 1200/1, 1199/0, 1198/9, 1197/8, 1196/7, 1195/6, 1194/5, 1193/4, 1192/3, 1191/2, 1190/1, 1189/0, 1188/9, 1187/8, 1186/7, 1185/6, 1184/5, 1183/4, 1182/3, 1181/2, 1180/1, 1179/0, 1178/9, 1177/8, 1176/7, 1175/6, 1174/5, 1173/4, 1172/3, 1171/2, 1170/1, 1169/0, 1168/9, 1167/8, 1166/7, 1165/6, 1164/5, 1163/4, 1162/3, 1161/2, 1160/1, 1159/0, 1158/9, 1157/8, 1156/7, 1155/6, 1154/5, 1153/4, 1152/3, 1151/2, 1150/1, 1149/0, 1148/9, 1147/8, 1146/7, 1145/6, 1144/5, 1143/4, 1142/3, 1141/2, 1140/1, 1139/0, 1138/9, 1137/8, 1136/7, 1135/6, 1134/5, 1133/4, 1132/3, 1131/2, 1130/1, 1129/0, 1128/9, 1127/8, 1126/7, 1125/6, 1124/5, 1123/4, 1122/3, 1121/2, 1120/1, 1119/0, 1118/9, 1117/8, 1116/7, 1115/6, 1114/5, 1113/4, 1112/3, 1111/2, 1110/1, 1109/0, 1108/9, 1107/8, 1106/7, 1105/6, 1104/5, 1103/4, 1102/3, 1101/2, 1100/1, 1099/0, 1098/9, 1097/8, 1096/7, 1095/6, 1094/5, 1093/4, 1092/3, 1091/2, 1090/1, 1089/0, 1088/9, 1087/8, 1086/7, 1085/6, 1084/5, 1083/4, 1082/3, 1081/2, 1080/1, 1079/0, 1078/9, 1077/8, 1076/7, 1075/6, 1074/5, 1073/4, 1072/3, 1071/2, 1070/1, 1069/0, 1068/9, 1067/8, 1066/7, 1065/6, 1064/5, 1063/4, 1062/3, 1061/2, 1060/1, 1059/0, 1058/9, 1057/8, 1056/7, 1055/6, 1054/5, 1053/4, 1052/3, 1051/2, 1050/1, 1049/0, 1048/9, 1047/8, 1046/7, 1045/6, 1044/5, 1043/4, 1042/3, 1041/2, 1040/1, 1039/0, 1038/9, 1037/8, 1036/7, 1035/6, 1034/5, 1033/4, 1032/3, 1031/2, 1030/1, 1029/0, 1028/9, 1027/8, 1026/7, 1025/6, 1024/5, 1023/4, 1022/3, 1021/2, 1020/1, 1019/0, 1018/9, 1017/8, 1016/7, 1015/6, 1014/5, 1013/4, 1012/3, 1011/2, 1010/1, 1009/0, 1008/9, 1007/8, 1006/7, 1005/6, 1004/5, 1003/4, 1002/3, 1001/2, 1000/1, 999/0, 998/9, 997/8, 996/7, 995/6, 994/5, 993/4, 992/3, 991/2, 990/1, 989/0, 988/9, 987/8, 986/7, 985/6, 984/5, 983/4, 982/3, 981/2, 980/1, 979/0, 978/9, 977/8, 976/7, 975/6, 974/5, 973/4, 972/3, 971/2, 970/1, 969/0, 968/9, 967/8, 966/7, 965/6, 964/5, 963/4, 962/3, 961/2, 960/1, 959/0, 958/9, 957/8, 956/7, 955/6, 954/5, 953/4, 952/3, 951/2, 950/1, 949/0, 948/9, 947/8, 946/7, 945/6, 944/

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Vertical index table on the left margin containing various market indicators and stock prices.

Table of financial data for various unit trusts, including names, managers, and performance metrics.

Table of financial data for various unit trusts, including names, managers, and performance metrics.

Table of financial data for various unit trusts, including names, managers, and performance metrics.

Table of financial data for various unit trusts, including names, managers, and performance metrics.

INSURANCE AND PROPERTY BONDS

Table of financial data for insurance and property bonds, including company names and key figures.

CORAL INDEX: Close 471.476

INSURANCE BASE RATES

Property Growth 11.4%
Life Insurance 10.87%

NOTES
Prices do not include premium, except where indicated...

CHRISTIE & CO

32 Baker Street London W1

Telephone 01-486 4231

Nine regional offices Specialists in the sale of privately owned businesses and companies Valuers—Licensed Dealers

BRITISH FUNDS

High Low Stock Price % Chg. Div. Yield

“Shorts” (Lives up to Five Years)

Table of British Funds with columns for High, Low, Stock, Price, % Chg., Div., Yield.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years) with columns for High, Low, Stock, Price, % Chg., Div., Yield.

Over Fifteen Years

Table of British Funds (Over Fifteen Years) with columns for High, Low, Stock, Price, % Chg., Div., Yield.

Undated

Table of British Funds (Undated) with columns for High, Low, Stock, Price, % Chg., Div., Yield.

INTERNATIONAL BANK

79% Stock 77-82 81 1/2 11.36

CORPORATE LOANS

Table of Corporate Loans with columns for High, Low, Stock, Price, % Chg., Div., Yield.

COMMONWEALTH & AFRICAN LOANS

79% Stock 77-82 81 1/2 11.36

LOANS

Public Bond and Ind.

Table of Loans with columns for High, Low, Stock, Price, % Chg., Div., Yield.

FOREIGN BONDS & RAILS

High Low Stock Price % Chg. Div. Yield

Table of Foreign Bonds & Rails with columns for High, Low, Stock, Price, % Chg., Div., Yield.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: Bracken House, 10, Cannon Street, London EC4A 3DF

Telex: Editorial 886341Z, 883897. Advertisements: 885033. Telegrams: Finantimo, London.

Telephone: 01-248 8000

Frankfurt Office: Frankenthaler 68-72, 6000 Frankfurt-am-Main 1.

Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234, Commercial 7598 1

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

Table of Bonds & Rails with columns for High, Low, Stock, Price, % Chg., Div., Yield.

BANKS & HP—Continued

Table of Banks & HP with columns for High, Low, Stock, Price, % Chg., Div., Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics with columns for High, Low, Stock, Price, % Chg., Div., Yield.

ENGINEERING—Continued

Table of Engineering with columns for High, Low, Stock, Price, % Chg., Div., Yield.

AMERICANS

Table of American Stocks with columns for High, Low, Stock, Price, % Chg., Div., Yield.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for High, Low, Stock, Price, % Chg., Div., Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for High, Low, Stock, Price, % Chg., Div., Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for High, Low, Stock, Price, % Chg., Div., Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for High, Low, Stock, Price, % Chg., Div., Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for High, Low, Stock, Price, % Chg., Div., Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for High, Low, Stock, Price, % Chg., Div., Yield.

INDUSTRIALS (Miscel.)

Table of Industrials (Miscel.) with columns for High, Low, Stock, Price, % Chg., Div., Yield.

CANADIANS

Table of Canadian Stocks with columns for High, Low, Stock, Price, % Chg., Div., Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for High, Low, Stock, Price, % Chg., Div., Yield.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: Bracken House, 10, Cannon Street, London EC4A 3DF

Telex: Editorial 886341Z, 883897. Advertisements: 885033. Telegrams: Finantimo, London.

Telephone: 01-248 8000

Frankfurt Office: Frankenthaler 68-72, 6000 Frankfurt-am-Main 1.

Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234, Commercial 7598 1

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for High, Low, Stock, Price, % Chg., Div., Yield.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: Bracken House, 10, Cannon Street, London EC4A 3DF

Telex: Editorial 886341Z, 883897. Advertisements: 885033. Telegrams: Finantimo, London.

Telephone: 01-248 8000

Frankfurt Office: Frankenthaler 68-72, 6000 Frankfurt-am-Main 1.

Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234, Commercial 7598 1

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.

Johannesburg: P.O. Box 2112.

Lisbon: Praça de Alegria 58-10, Lisbon 2.

London: 32 Baker Street.

Madrid: Euzepareda 32, Madrid 3.

Manchester: Queen's House, Queen Street.

Amsterdam: P.O. Box 1296, Amsterdam-C.

Birmingham: George House, George Road.

Bonn: Postfach 11104, Heussallee 2-10.

Brussels: 39 Rue Ducale.

Cairo: P.O. Box 2040.

Dublin: 8 Fintonaill Square.

Edinburgh: 27 George Street.





## Tarmac CONSTRUCTION Builds for Business

# Shah to see new Cabinet tomorrow

BY SIMON HENDERSON

TEHRAN — Dr. Shahpour Bakhtiar, Iran's Prime Minister-designate, said yesterday that he had his new Cabinet ready and a new Government could be formed by Saturday, although it is still not clear if the Shah will leave the country.

Dr. Bakhtiar, speaking through an aide, said the Cabinet would be presented to Parliament today and would see the Shah. An official announcement of the new Government would be made by Saturday, he said.

Although the Shah let it be known last week that he was ready to go abroad, Dr. Bakhtiar's aide said it might be natural for the monarch to remain for a while to see how the new Government was working.

In a statement broadcast on radio and TV for the past two days Dr. Bakhtiar said that corruption had betrayed the country, as had "non-national" rule. He referred to the Shah's return to power in 1953 as a coup d'etat.

No names of Dr. Bakhtiar's Cabinet have been revealed except that of retired General Fereidoun Jam, who has the trust of the serving commanders, probably as War Minister. The opposition National Front which on Saturday expelled Dr. Bakhtiar, is still boycotting the prospective administration, which has also yet to win the favour of the Shi'ite Moslem clergy.

**Exposed**

In his statement on Monday Dr. Bakhtiar also vowed eventually to do away with martial law so that the army could defend the borders, promised to free political prisoners and prosecute for corruption.

However opposition demands, such as the holding of elections and the disbanding of the secret police, Savak, were not mentioned.

Dr. Bakhtiar remains very exposed, however, since the Shah, through the army, appears still to be in overall control, and the army is putting down with considerable ruthlessness further anti-Shah demonstrations in several provincial towns.

The pressure on the Shah to go immediately may have lessened somewhat. His comments on Monday that he would go for his winter holiday when things had settled down is interpreted by some observers as a reassessment of the decision thought to have been made that he must leave the country to prevent further disruption.

Even if he goes, the military would retain a strong position. The immediate options for Iran appear to be either a technocratic cabinet with substantial military influence, or fully-fledged military regime with the Shah remaining.

Disruption and violence has continued in many areas, although the capital, Tehran, has remained comparatively quiet with many people evidently staying away from the centre of the city. Banks and many shops were closed.

A strike by railway workers has added to the difficulties of internal communication, already bad because of an anti-Shah stoppage by workers of the national airline.

Oil production remains low at 237,000 barrels a day and efforts by opposition politicians to bring it up to domestic demand of around 700,000 barrels to ease difficulties for the general population have so far been fruitless.

AP reports: Canadian forces aircraft are expected to arrive in Tehran today to evacuate about 900 Canadians without pressing business in Iran. Mr. Kenneth Taylor, the Canadian Ambassador said yesterday.



Terry Kirk

**SNOWSTORMS** and sub-zero temperatures which brought much of Northern Europe to a standstill delayed the distribution of part of the first edition of the Financial Times to be printed in Frankfurt along with London.

However, copies were on sale on the streets of New York from 9.30 a.m. local time and other major U.S. cities received their copies later in the day. The flight carrying the U.S. print run took off from Frankfurt 45 minutes late at 4.45 a.m.

Previously, copies were available in New York by late afternoon of the day of issue at the earliest.

The paper's first European edition printing began at 11.25 p.m. Frankfurt time and was completed in 46 minutes.

Special vans were loaded (pictured above) as snow fell and soon the papers were on their way to the readers.

Mr. Justin Dukes, joint managing director of the Financial Times, who was in Frankfurt for the launch, said last night that the quality of the paper was a tribute to those who had worked on it in London and Frankfurt, in the past months.

"It would be unwise and inappropriate to judge the success of the project after the first night, or even the first 100 nights. We take a long-term view of this because we view it as a major development over a long time."

Because of the weather, distribution of the paper in parts of Europe was little better than before printing began in Frankfurt, though copies were on sale in Zurich by 8.30 a.m., three-and-a-half hours before the previous best.

But in Hamburg, distributors were still trying to get copies of the FT—and of all other papers printed outside the city—late yesterday afternoon.

Conditions last night in Europe were not expected to improve. There was about eight inches of snow in Amsterdam, and fresh snow was falling in Frankfurt in the evening.

# Air travel growth likely to continue

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WORLD air travel is expected to increase by 8 to 10 per cent this year, following a rise of 10 per cent on scheduled air services in 1978.

Last year's growth, the biggest since 1972, rose from the widespread introduction of cheaper air fares, and improving economic conditions in many countries after the recession of the early to mid-1970s.

The figure of 67.4m scheduled passengers covers all the international and domestic operations by the airlines of the 143 member states of the International Civil Aviation Organisation, the UN aviation technical agency.

It includes air travel in the Soviet Union, estimated at 98m scheduled passengers last year.

Outside the Soviet Union, the world's airlines carried 57.5m scheduled passengers altogether — 8.5 per cent more than in 1977.

The ICAO says that cheaper fares, particularly in the U.S. and over the North Atlantic, helped traffic grow faster than the increase in the number of seats available.

On the North Atlantic route, between Europe and North America, member airlines of the International Air Transport Association carried nearly 11m passengers, a rise of 16 per cent.

Of these, 9.57m were carried on scheduled services — a rise of 2.26 per cent. The remaining 1m or so were carried on the IATA-airlines' own charter flights, 23.8 per cent less than in 1977.

The airlines' load factor (the percentage of available seats filled) rose to 64 per cent, a record for the world airline industry.

But this is not expected to result in widespread improvements in the airlines' financial condition since costs also rose sharply during 1978. Revenues were also affected by the cheaper fares.

The ICAO says that air cargo also had its best year for a long time, rising by 12 per cent to just over 15bn ton-miles performed. Air mail improved by 3 per cent, a slightly lower growth rate than in 1977.

## Weather

**FREEZING** fog clearing to sunny spells. Some rain in south turning to sleet or snow inland.

London, S.E., Cent. S. England, S., W. Midlands

Freezing fog patches clearing. Dry with sunny spells. Possibly sleet or snow later. Max 3C (37F).

E. Anglia, N. N.E. England, N. Midlands

Freezing fog patches clearing to dry, sunny spells. Max 2C (36F)

Channel Islands, S.W. England, Wales

Cloudy, some rain. Snow inland. Max 0.6C (32-43F).

N.W. England, Scotland, Isle of Man, N. Ireland, Lakes, Scottish Highlands

Freezing fog in places. Dry at first with possibly sleet or snow later. Max 0.4C (32-39F).

Outlook: Further snow at times, perhaps heavy in the south.

BUSINESS CENTRES		HOLIDAY RESORTS	
Y'day	Today	Y'day	Today
midday	midday	midday	midday
Amsdn S -5	23	Lisbon F -2	36
Atena C 15	23	Lucy B -1	36
B'ruin C 6	43	Mach C 1	46
Beirut S -1	20	Mnchr. S 0	30
Bombay S -1	30	Milan S -1	30
B'ham S -10	41	Munich S 0	46
B'ham S -1	34	Newcast. S 0	32
Brisol S 2	36	Oalo F -9	16
Brussels S 2	36	Paris F -1	30
Cardiff F 3	37	Prague F -4	19
Copen. F -6	14	Reykjav. F -4	19
Copenh. F -6	41	Rome S 1	46
Dublin F -4	32	Sackham. C -10	14
Edin'gh F -4	25	Strasbg. S -5	23
Geneva S -5	28	Vienna S -5	23
Glasgow S -5	28	W'ham. F -9	16
Helasin S -9	21	Zurich F -9	16

# Pollution risk from holed tanker fades

BY DAVID GARDNER

BARCELONA — The Greek oil tanker Andros Patria, holed by an explosion on Sunday night off north-western Spain, was reported last night to be steaming under its own power at between two and four knots about 40 miles west of Cape Finisterre.

The immediate danger of extensive coastal pollution caused by the tanker losing 50,000 tonnes of crude oil is also fading. A changed wind is blowing the three-mile-long oil slick out into the Atlantic.

Although the ship's engines are working well and the storms in the area have died down, it was far from clear last night where the Andros Patria was heading.

After the Spanish naval authorities had withdrawn earlier suggestions that the tanker was being towed towards Lisbon, it was believed in La Coruña that the ship's owners, the Seas Transportation Corporation of Piraeus, was still negotiating with the Spanish authorities to bring it into a Spanish port for repairs.

**Salvage**

It is thought that the work of cleaning the damaged holds to avoid the danger of gas ignition, setting light to the remaining 150,000 tonnes of crude in the other tanks, cannot be carried out at sea.

However, experts from a Dutch salvage company with a Typhoon-type tug standing by are still waiting to board the vessel and survey the damage.

On that preliminary analysis, Lisbon would be dangerously far away and there is speculation that the crippled tanker might be brought into Vigo, in Galicia.

But it is uncertain whether the Spanish authorities are prepared to risk popular hostility in Galicia, which has already suffered three catastrophic shipping accidents involving oil or chemical spillage in the past six years.

Those severely damaged the area's shellfish resources, the richest in Spain.

The Andros Patria was carrying 208,000 tonnes of crude oil from the Gulf to Rotterdam. The explosion led all but three of the crew of 32 to abandon ship. All who left the ship are thought to have died when their two lifeboats capsized in heavy seas.

Perhaps the single most important action in minimising pollution was taken by the chief engineer who remained on board. He put the vessel on automatic pilot out into the Atlantic.

John Moore writes: International insurers are facing claims of \$12.5m (£6.1m) arising from damage to the Andros Patria.

Underwriters in London had established yesterday that hull had been insured for \$12.5m, a fifth in London. Most of the hull value that had been insured in London was with Lloyds.

reasons, is not expected to be announced at present.

Terry Dodsforth writes from Paris: M. François Perrin-Pelletier, a senior Peugeot director, is taking over as managing director of Chrysler-France in the wake of the takeover.

The appointment of M. Perrin-Pelletier, a former civil servant who joined Peugeot in 1968, is seen in France as evidence of PSA's determination to bring Chrysler under its leadership.

Ken Gooding writes: Chrysler is to sell the European operations of its subsidiary, Chrysler Finance Corporation, to PSA for about \$80m. The Corporation's main business is to provide finance for dealers' stocks.

Chrysler will retain 50 per cent of four of the Corporation's European subsidiaries — in West Germany, Holland, Belgium and Italy — for up to two years.

So far Chrysler has received \$11.5m and the outstanding \$67.5m (£28m) will be paid over when full control of the Corporation finally passes to PSA.



chemical spillage in the past six years.

Those severely damaged the area's shellfish resources, the richest in Spain.

The Andros Patria was carrying 208,000 tonnes of crude oil from the Gulf to Rotterdam. The explosion led all but three of the crew of 32 to abandon ship. All who left the ship are thought to have died when their two lifeboats capsized in heavy seas.

Perhaps the single most important action in minimising pollution was taken by the chief engineer who remained on board. He put the vessel on automatic pilot out into the Atlantic.

John Moore writes: International insurers are facing claims of \$12.5m (£6.1m) arising from damage to the Andros Patria.

Underwriters in London had established yesterday that hull had been insured for \$12.5m, a fifth in London. Most of the hull value that had been insured in London was with Lloyds.

reasons, is not expected to be announced at present.

Terry Dodsforth writes from Paris: M. François Perrin-Pelletier, a senior Peugeot director, is taking over as managing director of Chrysler-France in the wake of the takeover.

The appointment of M. Perrin-Pelletier, a former civil servant who joined Peugeot in 1968, is seen in France as evidence of PSA's determination to bring Chrysler under its leadership.

Ken Gooding writes: Chrysler is to sell the European operations of its subsidiary, Chrysler Finance Corporation, to PSA for about \$80m. The Corporation's main business is to provide finance for dealers' stocks.

Chrysler will retain 50 per cent of four of the Corporation's European subsidiaries — in West Germany, Holland, Belgium and Italy — for up to two years.

So far Chrysler has received \$11.5m and the outstanding \$67.5m (£28m) will be paid over when full control of the Corporation finally passes to PSA.

reasons, is not expected to be announced at present.

Terry Dodsforth writes from Paris: M. François Perrin-Pelletier, a senior Peugeot director, is taking over as managing director of Chrysler-France in the wake of the takeover.

The appointment of M. Perrin-Pelletier, a former civil servant who joined Peugeot in 1968, is seen in France as evidence of PSA's determination to bring Chrysler under its leadership.

Ken Gooding writes: Chrysler is to sell the European operations of its subsidiary, Chrysler Finance Corporation, to PSA for about \$80m. The Corporation's main business is to provide finance for dealers' stocks.

Chrysler will retain 50 per cent of four of the Corporation's European subsidiaries — in West Germany, Holland, Belgium and Italy — for up to two years.

So far Chrysler has received \$11.5m and the outstanding \$67.5m (£28m) will be paid over when full control of the Corporation finally passes to PSA.

reasons, is not expected to be announced at present.

Terry Dodsforth writes from Paris: M. François Perrin-Pelletier, a senior Peugeot director, is taking over as managing director of Chrysler-France in the wake of the takeover.

fluctuation band against currencies of the other prospective EMS members.

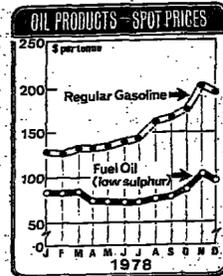
Officials said they regarded all previous monetary arrangements as continuing. This included the "snake" which links the West German, Danish and Benelux currencies in a joint floc. France has been out of the snake since 1976.

## THE LEX COLUMN

# Famine and feast in oil sector

Interest rate movements are still being watched very carefully—in New York yesterday Fed funds traded up to 12 per cent before overnight repurchases by the Fed brought them back below 11 per cent. In London, bids for three month Treasury bills centred around 11.8 per cent, up from 11.56 per cent at Friday's tender.

Index rose 2.1 to 473.0



### Rationing oil

BP has given a warning of a further cutback in crude and product supplies to associates and bulk customers during the first quarter of 1979, and that sent nervous ripples through the stock market—where BP's shares lost 12p to 894p. Evidently BP, which normally derives around two-fifths of its crude supply from Iran, has decided the outlook is forbidding enough to justify trimming deliveries by 35 per cent rather than the 25 per cent applied last November. But there is as yet little indication that this will set the general pattern.

Shell, for instance, has yet to announce its own first quarter reduction after the 10 per cent cutback for the final quarter of last year—but it seems there is little chance of any tightening here. And Rotterdam spot market product prices last month failed to hold the highest levels reached in November, though there is a chance that the BP announcement and the cold snap in Europe will cause another temporary flutter when this highly marginal market becomes active again after the holiday.

For many of the oil majors the recent developments in the Middle East must have been favourable — the members of Aramco, for instance, are in a strong position thanks to the increase in Saudi Arabian output. Downstream, too, the pendulum has swung back with a vengeance from the independents to the majors.

In the case of BP, however, there are factors working both ways. The loss of a third of its bulk crude business might not be a crippling blow, for this is a very low margin activity, but if its operating subsidiaries were forced into the spot market and could not recoup the cost in selling prices there might be temporary embarrassment. Yet it is a fair assumption that very soon the gains in upstream profits from the Forties field (and by the Sohio associate) would tip the balance.

**U.K. ship sales**

Although the full figures are not yet in, it seems certain that the size of the UK shipping fleet fell noticeably during 1978. All of the major UK shipping companies have been steadily selling off older tonnage for the last couple of years. Some of these ships have been replaced by modern container tonnage but it is clear that the recession in the world shipping industry is now leading to a once and for all reduction in the size of the UK fleet—the world's third largest.

During 1978 well over 100 ships in the UK's 1,500 strong fleet have been disposed of. Against a peak of 53m dwt, a couple of years ago, the UK fleet is now probably less than

48m dwt in size. In certain sectors UK shipping companies appear resigned to abdicating their once prime position. Lambert Brothers, the UK ship brokers, recently estimated that a quarter of the UK bulk carrier fleet had been sold off over the last year.

The President of the General Council of British Shipping has already described the reduction in the size of the U.K. fleet as a "very serious shedding of tonnage." In recent months freight rates have improved noticeably which should reduce the need for forced U.K. sales. However, the U.K. shipping fleet is considerably larger than Britain's share of world trade warrants which makes it vulnerable over the longer term.

### Ranks Hovis

Ranks Hovis McDougall's accounts show the strains of having something like £60m of capital tied up in UK baking, a consistent loss-maker. Only a bit more than half the £10m which the group has spent on fixed assets and working capital in the past two years has been financed out of net cash flow. And on an inflation-adjusted basis, attributable profits of £4.4m last year covered less than half the dividend cost.

However, the appearance of the balance-sheet has been significantly improved by a property revaluation and a transfer from the deferred tax provision, which have helped to push net worth up by nearly two-fifths to £272m. And although the recent bread strike has knocked the more optimistic recovery targets for six, there is still scope for a worthwhile turnaround on the baking side this year.

Both RHM and Associated British Foods, which together share over half the bread market, say that it is too early to judge the impact of the strike on consumption. They also agree that last month's price increase will not recoup all their extra costs. But the savage competition which brought Spillers to its knees last year has not re-emerged, and RHM remains hopeful about the prospect for a reasonable return on bread.

In addition, the milling side has held up well and the bad weather is doing no harm at all to the UK animal feeds side. RHM is cagey about the outlook for the rest of the year, but a dividend yield of 10 1/2 per cent at 48 1/2 looks securely based.

# Turnbull and Chrysler

Continued from Page 1

customs clearance have tied up parts worth many millions of pounds.

The Iran National factory is closed this week because of component shortages, but it is hoped that production will resume next weekend.

But it is the Linwood factory, Scotland, where low productivity and poor labour relations have aroused speculation about the plant's long-term future.

Mr. Gilbert Hunt, the present chairman of Chrysler UK, is expected to remain on today's new Board. Other directors likely to remain are Mr. Angus Murray, the industrialist and Board member of Prudential Assurance; Lord Roll of Ipsden, a director of S. G. Warburg, the merchant bank; Mr. Georges Fierrel, former president of Chrysler France; and Mr. Louis E. Warren, a member of the U.S. Chrysler Board.

Mr. Roy Grantham, general secretary of APEX, the white-collar union, is one of the two Government nominees to the Board. A replacement for the other, Mr. Claud Birch, who retired last month for health

reasons, is not expected to be announced at present.

Terry Dodsforth writes from Paris: M. François Perrin-Pelletier, a senior Peugeot director, is taking over as managing director of Chrysler-France in the wake of the takeover.

The appointment of M. Perrin-Pelletier, a former civil servant who joined Peugeot in 1968, is seen in France as evidence of PSA's determination to bring Chrysler under its leadership.

Ken Gooding writes: Chrysler is to sell the European operations of its subsidiary, Chrysler Finance Corporation, to PSA for about \$80m. The Corporation's main business is to provide finance for dealers' stocks.

Chrysler will retain 50 per cent of four of the Corporation's European subsidiaries — in West Germany, Holland, Belgium and Italy — for up to two years.

So far Chrysler has received \$11.5m and the outstanding \$67.5m (£28m) will be paid over when full control of the Corporation finally passes to PSA.

fluctuation band against currencies of the other prospective EMS members.

Officials said they regarded all previous monetary arrangements as continuing. This included the "snake" which links the West German, Danish and Benelux currencies in a joint floc. France has been out of the snake since 1976.

fluctuation band against currencies of the other prospective EMS members.

Officials said they regarded all previous monetary arrangements as continuing. This included the "snake" which links the West German, Danish and Benelux currencies in a joint floc. France has been out of the snake since 1976.

fluctuation band against currencies of the other prospective EMS members.

Officials said they regarded all previous monetary arrangements as continuing. This included the "snake" which links the West German, Danish and Benelux currencies in a joint floc. France has been out of the snake since 1976.

# Make Private Patients Plan your company policy.

Fewer people than ever are willing to wait months or years for the hospital treatment they need.

Fortunately there is an alternative. Independent medicine and Private Patients Plan.

Many now turn to PPP because they know that within PPP's flexible range of health insurance plans, there is one which will be right for their needs.

So find out how PPP puts the nation's health first—the health of individuals and of companies like those featured above. Complete and post the coupon today.

To: Private Patients Plan, FREEPOST, TURNBIDGE WELLS, Kent TN22Z (no postage required). Please send me details of PPP private health insurance for: Companies (Individuals/Families) (where appropriate)

Name (if under 18 years of age)

Company (if applicable)

Position

Address

Telephone

Private Patients Plan. Established 1940. Organised by the President's Association for Medical Care Limited.

هكذا من العمل